IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF WEST VIRGINIA AT WHEELING

GW Rentals, LLC Windmill Truckers, Inc. Lee J. Glessner, Gary W. Glessner, Norma Tubaugh, Dawnisa Tubaugh, Clarence Tubaugh, Glessner Real Estate Properties, LLC, Kathy A. Elliott, and Robert B. Elliot,

CIVIL ACTION NO. 5:14-CV-154

Plaintiffs,

VS.

CLS Group, Capital Land Services, Inc., Chesapeake Appalachia, L.L.C., Chesapeake Energy Corporation, Southwestern Energy Company, individually and as Successors in Interest to Chesapeake Appalachia, LLC and Chesapeake Energy Corporation, Southwestern Energy, individually and as Successors in Interest to Chesapeake Appalachia, LLC and Chesapeake Energy Corporation, Southwestern Energy Production Company, individually and as Successors in Interest to Chesapeake Appalachia, LLC and Chesapeake Energy Corporation, and Southwestern Energy Services Company, individually and as Successors in Interest to Chesapeake Appalachia, LLC and Chesapeake Energy Corporation

Defendants.

PLAINTIFFS' FIRST AMENDED COMPLAINT



Now comes the plaintiffs by and through there undersigned counsel, Mark A. Kepple, Esquire, and the law firm of Bailey & Wyant, P.L.L.C. and for their first Amended Complaint state and allege as follows:

- 1. The plaintiff, GW Rentals, LLC is a West Virginia limited liability company that owned or is currently owning real property and mineral interests and engaging in business activities in Ohio County, West Virginia.
- 2. The plaintiff, Windmill Truckers, Inc. is a West Virginia corporation owning real property and mineral interests and doing business in Ohio County, West Virginia.
- The defendant, Lee J. Glessner is a real property and mineral owner in Ohio
 County, West Virginia.
- 4. The plaintiff, Gary W. Glessner is a real property and mineral owner in Ohio County, West Virginia.
- 5. The plaintiffs, Gary W. Glessner, Norma Tubaugh, and Clarence Tubaugh are mineral and real property owners of Marshall County, West Virginia. Norma Tubaugh and Clarence Tubaugh are Marshall County, West Virginia residents.
- 6. The plaintiff, Dawnisa Tubaugh, is a mineral and real property owner with a lease to the Chesapeake entities and is domiciled and a resident of the State of Texas.
- 7. The plaintiffs, Kathy A. Elliot and Robert B. Elliott are mineral and real property owners and residents of Marshall County, West Virginia.
- 8. The Plaintiff, Glessner Real Estate Properties, LLC is a West Virginia limited liability company owning real property and mineral interests and doing business in Ohio County, West Virginia.



- 9. The parties identified above in paragraphs 1-8 shall hereinafter be referred to as "Glessner."
- 10. The defendant, CLS Group, also known as Capital Land Services, Inc. is a West Virginia corporation doing business in Ohio County, West Virginia, hereinafter referred to as "Capital."
- 11. Chesapeake Appalachia, LLC is a West Virginia limited liability company doing business in Ohio County, West Virginia, hereinafter referred to as "Chesapeake." Chesapeake Appalachia, LLC, also maintains a principal place of business in the State of West Virginia.
- 12. Chesapeake Energy Corporation does business in Ohio County, West Virginia, hereinafter referred to as "Chesapeake." Chesapeake Energy Corporation also maintains a principal place of business in the State of Texas.
 - 13. Chesapeake Energy Corporation does business in Ohio County, West Virginia.
 - 14. Chesapeake Appalachia, LLC does business in Ohio County, West Virginia.
- 15. Southwestern Energy Company is a foreign corporation that is a citizen domiciled in the State of Texas and having its principal place of business located in Texas. The State of Texas is where the Southwestern Energy Company's officers direct, control, and coordinate the corporation's activities. The State of Texas is the place where the corporation maintains its headquarters and is the actual center of direction, control, and coordination, *i.e.*, the 'nerve center,' and not simply an office where the corporation holds its board meetings.
- 16. Southwestern Energy Services Company is a foreign corporation that is a citizen domiciled in the State of Texas and having its principal place of business located in Texas. The State of Texas is where the Southwestern Energy Services Company's officers direct, control, and coordinate the corporation's activities. The State of Texas is the place where the corporation



maintains its headquarters and is the actual center of direction, control, and coordination, i.e., the 'nerve center,' and not simply an office where the corporation holds its board meetings.

- 17. Southwestern Energy Production Company (SEPCO) is a foreign corporation that is a citizen domiciled in the State of Texas and having its principal place of business located in Texas. The State of Texas is where the Southwestern Energy Production Company's officers direct, control, and coordinate the corporation's activities. The State of Texas is the place where the corporation maintains its headquarters and is the actual center of direction, control, and coordination, i.e., the 'nerve center,' and not simply an office where the corporation holds its board meetings.
 - 18. Jurisdiction and venue in Ohio County, West Virginia is appropriate.
- 19. CLS Group/Capital Land Services, Inc. and Chesapeake utilized a West Virginia Notary, and upon information and belief, to contact plaintiffs in Ohio County, West Virginia and ultimately acquired their signatures on certain leased properties in Ohio County, West Virginia and properties located in Marshall County, West Virginia.
- 20. The plaintiffs do not assert any claims which are federal claims or federal causes of action. The plaintiffs seek no relief under any federal laws or regulations, asserts no federal claims, and withdraws any asserted state law claims that are preempted by federal law.
- 21. Chesapeake Appalachia, LLC, maintains a principal place of business in West Virginia and is therefore a citizen, resident, and is otherwise Domiciled in the State of West Virginia, as are many of the plaintiffs, thus, Diversity of Citizenship does not exist.
- 22. As Southwestern Energy Company is a Texas corporation and Dawnisa Tubaugh is a Texas resident and citizen, there is no diversity of citizenship.



- 23. As Southwestern Energy Services Company is a Texas corporation and Dawnisa Tubaugh is a Texas resident and citizen, there is no diversity of citizenship.
- 24. As Southwestern Energy Production Company is a Texas corporation and Dawnisa Tubaugh is a Texas resident and citizen, there is no diversity of citizenship.
- 25. Chesapeake Energy Corporation also has a principal place of business in the State of Texas and Dawnisa Tubaugh is a Texas resident and citizen; thus, there is no diversity of citizenship.
- 26. Beginning at or around the time preceding August 2008 a representative of CLS Group, also known as Capital Land Services, Inc., and Chesapeake Appalachia, LLC, and Chesapeake Energy Corporation, contacted the plaintiff landowners in an effort to acquire mineral leases for only the Marcellus Shale mineral interests.
- 27. CLS Group/Capital Land Services, Inc. and Chesapeake determined that GW Rentals, LLC, Windmill Truckers, Inc., Lee J. Glessner, Gary W. Glessner, Norma Tubaugh, Dawnisa Tubaugh, Clarence Tubaugh, Kathy A. Elliott and Robert B. Elliott held a combined acreage of mineral interests according to various degrees of ownership, totaling approximately 743.711 acres.
- 28. The Defendants began to make offers, representations, and present leasing options to the plaintiffs in an effort to induce the plaintiffs into signing a lease of their mineral interests favoring Chesapeake.
- 29. The agent and representative of CLS Group, and Capital Land Services, Inc. represented that he had full authority, permission and control necessary to enter into lease agreements on behalf of CLS Group, Capital Land Services, Inc., Chesapeake Appalachia LLC, and Chesapeake Energy Corporation. In so doing, he also indicated that he understood what was



best for landowners in Ohio County, West Virginia and particularly, these plaintiffs. CLS Group, Capital Land Services, Inc. and the Chesapeake Entities indicated that signing the lease in 2008 on the terms as explained to the plaintiffs was best for the plaintiffs.

30. Additionally, CLS Group/Capital Land Services, Inc. also indicated that signing early compared to others in the community and for what is now known to be a much lower per acre up-front payment amount than what other similarly situated landowners were receiving would be in the best interest of these plaintiffs. Further, it was represented that the lease could be modified wherein the lease would remain open for further negotiations after the expiration of its original term in 2013. CLS Group/Capital Land Services, Inc. understood this would be particularly beneficial to the plaintiffs and would entice them to sign. Plaintiffs agreed to this modification of the form lease contract so that a renegotiation of the upfront signing bonus and royalty percentage could be done. The plaintiffs indicated that it was their preference not to encumber their property and enter into a mineral lease on perpetual terms, or automatically renewing terms. The plaintiffs herein trusted the CLS Group, Capital Land Services, Chesapeake Appalachia, LLC and Chesapeake Energy Corporation that the lease that they were being presented provided that opportunity and enabled the plaintiffs to renegotiate on favorable terms at the expiration of the five year lease term. In this regard, plaintiff's believed and were advised that the striking out and initialing of the "Extension of Primary Term" clause and changing the lease term from seven (7) to five (5) was the manifestation of this agreement. See Lease agreements attached hereto and incorporated herein as Exhibits A-I by reference. See also exemplar excerpt below:



specimen herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTRASION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5)

years from the expiration of the primary term of this Lesser said extension to be under the same term of this lesse. Lesser pays or tenders to the expiration and conditions as contained in this Lesser may exercise this option to extend this Lesse if on or before the expiration due to the primary term of this Lesse, Lesser pays or tenders to the Lesser or to the Lesser's credit an aniount equal-to the initial consideration given for the execution hereof.—Exercise of this option is at Lesser's cold discretion and may be invoked by Lesser where no other alternative of the Lesse Term clause extends this Lesse beyond the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LEASE. The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration

CLS Group, Capital Land Services, Chesapeake Appalachia, LLC and 31. Chesapeake Energy Corporation made a representation that he had altered the terms of the form lease in such a way that the lease would expire five years from the date of signing and require the terms to be renegotiated for any operations to continue. As a representative of the CLS Group, Capital Land Services, Chesapeake Appalachia, LLC and Chesapeake Energy Corporation, made representations that entering into a lease for what is now known to be a comparably low, per acre amount such as the amount of compensation as shown in Exhibits A-G (during what was represented as the initial wave of Marcellus Shale leasing) was in the best interest of the plaintiffs. The explanation provided that because, at the expiration of the five year period of time, the parties could re-lease in the "boom" period of the Marcellus Shale leasing for a higher per acre up front bonus payment. Representations were made that, in other areas of the country where leasing of natural gas interests had occurred, this scenario had been played out successfully and land owners would be able to make more money from their mineral interests. The plaintiffs believed that CLS Group, Capital Land Services, Chesapeake Appalachia, LLC and Chesapeake Energy Corporation were acting in their best interest, and that was acting as the authorized agent in between, as an intermediary and business agent in their dealings Chesapeake Appalachia, LLC and Chesapeake Energy Corporation, and Capital. In



reality, it is believed that CLS Group, Capital Land Services, or the Chesapeake entities, were acting in pursuit of their interests and in a way actually adverse to the plaintiffs.

- 32. The Chesapeake entities retained the CLS Group, Capital Land Services to obtain leases on the most favorable terms possible for Chesapeake.
- 33. The Chesapeake entities ratified, endorsed and adopted the conduct and representations of the CLS Group, Capital Land Services.
- 34. Upon information and belief these defendants have a course of conduct and series of business practices that are specifically calculated to acquire mineral leases in a manner that is harmful and offensive to West Virginia mineral owners.
- 35. The Chesapeake entities have made money and profits off of West Virginia mineral interest owners, and specifically these plaintiffs in this particular case, by such tactics and business practices.
- 36. The Chesapeake entities have refused to enter into a subsequent mineral lease term with the plaintiffs as per the representation of Chesapeake's agent, CLS Group, Capital Land Services.
- 37. The Chesapeake entities and CLS Group/Capital Land Services, Inc. submitted adhesion form leases that they modified in plaintiffs' presence to change the term of the lease to a single term of 5 or in some cases 7 years as described herein. This strategy was specifically employed with these leased parties and in similar regard with other West Virginia mineral owners as a part of an overall strategy to dupe West Virginia mineral owners to enter into unfavorable lease terms, an unconscionable contractual agreement complete with an unfair arbitration clause. The lease specifically provided for a mechanism for the lease to end with the



expiration of the 5 or 7 year term and also provided with other mechanisms to be employed upon a claim that the lease is terminated. See below:

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR In addition to the house held his bases Can also amount to the

This language specifically provides that a civil action be filed after the Lessee has received written notice of the Lessor's demand and 60 days pass. In this case, written notice was sent of the termination, forfeiture, and expiration of the lease. Chesapeake acknowledged receipt of the written notice and essentially ignored the same triggering the dispute resolution mechanism of sub-paragraph (B) of the subject leases.

The anticipated reliance of Chesapeake and other interested parties on the "ARBITRATION" clause is part of the systematic approach to bury their deceptive and unconscionable tactics to obtain an unfair advantage against West Virginia property owners.

The Arbitration clause, individually, and read *pari materia* as part of the entire document, particularly the civil action provisions of the "FORFEITURE" clause of the contract is void, unenforceable, and unconscionable.

38. The Original lease term of August 8, 2008 to August 8, 2013 has expired and the Chesapeake Entities have not paid any consideration for their continued and unlawful occupation of the property.



- 39. Upon information and belief the Chesapeake entities and Capital have engaged in this or similar business practices and course of conduct in a systematic way as part of a strategy to obtain leases on mineral interest on West Virginia properties.
- 40. Upon information and belief the Chesapeake entities have installed a well pad to extract minerals from all or some of the properties held by the plaintiff. Specifically, the GW Rentals, LLC parcel has what is believed to be an operating well site, but Chesapeake has neither paid any royalties from said property nor made any effort to establish a division order consistent with any lease agreement, even the now expired August 2008-2013 lease agreement.
- 41. On the GW Rentals, LLC site, it appears that flammable gasses are being burnt off, fluids are being stored and/or transported and gasses are being monitored, measured and transferred from the site via a system of pipelines and/or motor carriers. Further, it appears that a caravan of 18 wheeler ladened tanker trucks leave the site on what seems like a daily basis.
- 42. No compensation has been paid pursuant to the GW Rentals, LLC lease, Gary W. Glessner lease, Lee J. Glessner lease, or Windmill Truckers Inc. lease.
- 43. No compensation has been paid to extend, renew, lease, or satisfy terms of prior leases to extend the lease beyond its 5 year term.
- 44. Chesapeake has encumbered the title to the plaintiffs' mineral interests with these recorded leases thereby communicating to other leasing entities that the property is leased and unavailable.
- 45. Due to the presence of the alleged lease on the chain of title, the plaintiffs have been unable to lease with other companies paying a higher per-acre lease and royalty percentage than these defendants. This has caused a loss and damage to these plaintiffs.



Count I - Breach of Contract

The plaintiffs restate and re-allege the preceding allegations of plaintiff's complaint as if restated fully herein.

- 46. The plaintiffs and defendants had a contract to pay mineral royalties stemming from the leases attached hereto and incorporated herein.
- 47. Upon information and belief, the defendants have produced natural gas and liquids from the plaintiff's property. No payment, division order, or other indicia that any monetary consideration will be exchanged has occurred.
 - 48. The failure to pay the plaintiffs is a breach of the contract.
- 49. The failure to pay for the natural gas and liquids taken from plaintiff's property is a breach of contract and has caused damage to these plaintiffs.
- 50. The contract lease agreement also provided that if there is any dispute about the extension of the lease beyond what is termed as the "primary term" that "payment of the prescribed payments provided below shall be conclusive evidence that the lease has been extended beyond the primary term." See leases generally.
 - 51. The payments clause is as follows:

^{2.} GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the net amount realized by Lessee, computed at the wellhead. As used in this lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale As used in this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating



PAYMENTS TO LESSON. In addition to the bonus paid by Lessee for the execution hercof, Lessee covenants to pay Lesser, propertionate to Lesser's procentage of ownership, as follows:

⁽A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year psyable in advance. The parties hereto agree that this is a Paid-Up Lesse with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.

⁽B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Lesschold, as follows:

1. OIL: To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-righth (1/8) part of all oil and any constituents thereof produced and marketed from the Lesschold.

- 52. In part because the form "Extension of Primary Term" clause had been stricken from the document, this means that that the parties agreed to re-negotiate any continuing leasing of the subject property.
- 53. As is plainly apparent the payments to the lessor include, "[i]n addition to the bonus paid by Lessee", Delay Rental and Royalties. Thus, in order to extend this lease beyond its primary term, a Bonus Payment must be paid again, in addition to Delay Rentals, and/or Royalties, if applicable. Chesapeake, by and through its agent CLS Group agreed to this Lease extension procedure and have failed to perform.
 - 54. No bonus payment for the period after August 2013 has been made.
 - 55. No payments for royalties has been made or received.
- 56. The above actions and inactions constitute a breach of the parties' agreement and the plaintiffs have suffered harm and damages due to said conduct.
- 57. The plaintiffs have been forced to retain legal counsel and file suit to seek a remedy for the damages sustained herein.

Count II - Conversion

The plaintiffs restate and re-allege the preceding allegations of plaintiff's complaint as if restated fully herein.

- 58. The defendants have willfully interfered with the plaintiff's mineral rights.
- 59. Once the lease expired and was not extended, the defendant's lawful justification to be on the subject property and extract minerals ended as a matter of law. The continuing occupation of the plaintiff's property and harvesting of natural gas and other liquids deprives the plaintiffs from their full rights of ownership and control.



- 60. As a direct and proximate result of the defendants' conduct herein, the plaintiffs have been deprived of their property and suffered damages due to such conduct.
- 61. As a direct and proximate result of the defendants' conduct, they have taken control over the plaintiff's property and converted it to their use in a manner contrary to law.

Count III- Ejectment

The plaintiffs restate and re-allege the preceding allegations of plaintiff's complaint as if restated fully herein.

- 62. The defendants have no legal right to be on the subject property.
- 63. The defendants have breached their contract/lease which provided initial right to possession.
 - 64. The defendants have failed to honor the terms of their lease.
 - 65. The defendants have failed to extend the lease beyond its primary term of 5 years.
 - 66. The defendants continue to occupy the subject property.
- 67. The plaintiff is entitled to the full and unfettered use, possession, and control of their premises.
- 68. The plaintiff is entitled to an order from this Court requiring the immediate ejection from the subject premises.
 - 69. The plaintiff was forced to incur attorney's fees to secure the property.

Count IV - Slander of Title

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 70. The defendants have recorded leases in the plaintiffs' chain of title
- 71. The defendants have no legal right to claim a lease to the subject property.



- 72. The plaintiff is unable to acquire other leasing opportunities so long as the defendants lease is recorded without a "release".
- 73. The defendants have published information within the defendants' chain of title that is not true and such actions have markedly affected the monetary value of such property.
- 74. The plaintiff has suffered an immediate financial harm as they are unable to sign with other leasing parties and are otherwise limited in the use of their property.

Count V - Interference with Business Relationship

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 75. The plaintiffs made an agreement with the defendants to enter into negotiations and/or terminate the lease at the expiration of the term. Defendants have willfully and intentionally refused to re-negotiate these leases or extend the term thereof.
- 76. The plaintiffs provided the defendant Chesapeake with an opportunity to avoid this litigation, but Chesapeake declined. See Ex. J.
- 77. The defendants know that no other entity will lease the subject property so long as the Chesapeake leases are on record. The defendants know that the plaintiffs are unable to secure the total economic value of their property so long as Chesapeake claims a right of possession.
- 78. The defendants are intentionally claiming a right to possession and a leasehold interest with knowledge that the lease is expired.
- 79. The defendants' actions not only frustrate and interfere with the business relationship *vis a vis* the original lease transaction, but also interferes with the plaintiffs' ability to market and secure other leases for the involved mineral interests.



80. As a direct and proximate result of the defendants' conduct, the plaintiffs have suffered damages, lost profits, lost rentals, lost opportunity costs, and incurred attorney's fees.

Count VI - Breach of Fiduciary Duty

The plaintiffs restate and re-allege the preceding paragraphs as if restated herein.

- 81. The agent of CLS Group/Capital Land Services Inc., individually, and as a representative of the other defendants held himself out as an agent of Chesapeake indicating that he had a special relationship with the "gas company" that other landmen did not have.
- 82. CLS Group/Capital Land Services Inc., indicated to plaintiffs that he was looking out for them and that signing the lease on these terms was in the best interest of the plaintiffs.
- 83. Plaintiffs indicated that they were trusting CLS Group/Capital Land Services Inc., and valued what it had represented.
- 84. Plaintiffs trusted CLS Group/Capital Land Services Inc., to draft the lease that reflected the terms that they agreed to such as a five year term and a requirement that the parties re-negotiate bonus money and the royalty percentage at the expiration of the five year term.
- 85. Plaintiff's agreed to a \$1,000 an acre lease and a 12.5% royalty percentage because CLS Group/Capital Land Services Inc., told them that such payments were the best offer and that if they did not sign, they would be left out.
- 86. Because of these representations, CLS Group/Capital Land Services Inc., acquired the plaintiffs' trust and their signatures to the lease.
- 87. Upon information and belief, in reality CLS Group/Capital Land Services Inc., was not acting on plaintiffs' best interest but had a profit incentive for themselves, and the Chesapeake entities.



- 88. CLS Group/Capital Land Services Inc., and the other defendants breached a fiduciary duty he owed to these plaintiffs.
- 89. As a direct and proximate result of the conduct described herein, CLS Group/Capital Land Services Inc., and the other defendants caused damages.
 - 90. Plaintiffs were damaged as a result of the conduct alleged herein.

Count VII - Breach of Covenant of Good Faith and Fair Dealing

The plaintiffs restate and re-allege the preceding paragraphs as if restated herein

- 91. There is an implied covenant of Good Faith and Fair Dealing between these defendants and the plaintiffs.
 - 92. The parties had a contractual relationship with each other.
- 93. The defendants had a duty and legal responsibility to represent facts, positions, and offers reasonably, honestly and fairly to these plaintiffs.
- 94. The defendants had a duty and legal responsibility to honor their agreement with the plaintiffs and agree upon terms for the extension of the primary term and the royalty percentage.
- 95. The defendants breached their covenant of good faith and fair dealing by misrepresenting information during the negotiation process and failing to honor the agreement as described herein.
- 96. As a direct and proximate result of the conduct alleged herein the defendants caused plaintiffs to sustain damages.
 - 97. The plaintiffs suffered damages.



County VIII - Unauthorized Practice of Law

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 98. During the negotiation process, the plaintiffs requested changes in the form lease.
- 99. CLS Group/Capital Land Services Inc.,, individually and as duly authorized representative of the defendants, indicated that he would be able to make the changes and that Chesapeake agreed to the terms plaintiffs requested.
- 100. Plaintiffs requested changes to the form lease and Defendants volunteered changes that provided that the lease would only last for 5 years and that at the expiration of 5 years, the parties would re-negotiate the up-front bonus money and the royalty percentage.
- 101. CLS Group/Capital Land Services Inc., modified the form lease and represented that such modifications had a legal significance and would require the defendants to re-negotiate the up-front bonus money and the royalty percentage for any term extending past the primary term of the lease.
- 102. Upon information and belief CLS Group/Capital Land Services Inc., relied upon its landman who is not a lawyer admitted to practice before the West Virginia Bar to make these representations and take these actions that constitute the unauthorized practice of law.
- 103. CLS Group/Capital Land Services Inc., was engaged in the practice of law when he told the plaintiffs what clauses in this contract meant, what modifications were necessary to document and memorialize the agreement they reached, and when he represented what his client (Chesapeake) would agree to.
- 104. Due to the legal advice CLS Group/Capital Land Services Inc., gave to the plaintiffs, the plaintiffs signed the leases which Chesapeake apparently disagrees as to their meaning.



- 105. CLS Group/Capital Land Services Inc., and the defendants violated the law governing the practice of law in West Virginia and caused the plaintiffs damages as a result thereof.
- 106. Due to the inappropriate, illegal, and unauthorized actions of CLS Group/Capital Land Services Inc., the lease agreements are void and/or voidable and the arbitration clause contained within the leases is unenforceable.
 - 107. The plaintiffs suffered damages.

Count IX - Negligent and/or Intentional Misrepresentation

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 108. CLS Group/Capital Land Services Inc., individually and as representative of these defendants misrepresented the meaning of the lease agreements as referenced and discussed herein.
- 109. In justifiable reliance, these defendants relied upon these negligent and/or intentional misrepresented the terms of the lease in an effort to induce the plaintiffs' to sign the leases.
- 110. Plaintiffs signed the leases based upon the representations of CLS Group/Capital Land Services Inc., as discussed herein.
- 111. Plaintiffs suffered damages as a result of the negligent and/or intentional misrepresentations by the defendants.
- 112. The misrepresentations by the defendants caused the plaintiffs harm as discussed herein.



Count X - Breach of Lease

The plaintiffs restate and reallege their allegations as if fully restated herein.

- 113. The defendants have no legal right to be on the subject property.
- 114. The defendants have breached their contract/lease which provided initial right to possession.
- 115. The defendants have failed to honor the terms of their lease. The defendants have failed to pay the necessary consideration to extend the lease beyond its primary term.
- 116. The defendants have failed to agree to an amount of "bonus" payment to extend the term of the lease.
 - 117. The defendants have failed to extend the lease beyond its primary term of 5 years.
 - 118. The defendants continue to occupy the subject property.
- 119. The plaintiff is entitled to the full and unfettered use, possession, and control of their premises.
- 120. The plaintiff is entitled to an order from this Court requiring the immediate ejection from the subject premises.
 - 121. The plaintiff was forced to incur attorney's fees to secure the property.

Count XI - Improper Notary Voids Lease

The plaintiffs restate and reallege the preceding allegations as if fully restated herein.

- 122. CLS Group/Capital Land Services Inc.,, individually and as a representative of the defendants, had a disqualifying interest in the instrument (the lease) which he acknowledged and notarized. See notary block on affected leases.
- 123. The plaintiffs have suffered actual prejudice and have otherwise been victimized by the unfair dealing by these defendants.



- 124. The plaintiffs have suffered actual prejudice and otherwise been victimized by the undue advantage obtained by these defendants.
 - 125. The conduct herein has caused damages to the plaintiff.
 - 126. The improper notary voids the lease.

Count XII - Trespass

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 127. The defendants have no legal right to be on the subject property.
- 128. The leases affecting the subject mineral interests are void or expired.
- 129. The plaintiff is entitled to the full and unfettered use, possession, and control of their premises.
- 130. The defendants are trespassing on plaintiffs' property. The defendants have caused plaintiff damages.
- 131. The plaintiffs are entitled to an order from this Court requiring the immediate ejection from the subject premises.
 - 132. The plaintiffs were forced to incur attorney's fees to secure the property.

Count XIII - Liability of the Southwestern Energy Defendants

The plaintiffs restate and re-allege their specific allegations as if restated fully herein.

- 133. Southwest Energy, Southwest Energy Company, Southwest Energy Production Company, and Southwest Energy Services Company, are all referred to herein collectively as "SWN".
- 134. SWN, by and through SEPCO, acquired approximately 413,000 net acres of oil and gas interest in Northern West Virginia and Southwestern Pennsylvania targeting natural gas, natural gas liquids and crude oil contained in the Upper Devonian, Marcellus



- and Utica shales for a payment to the Chesapeake entity(s) of approximately \$5.375 billion dollars.
- and leases, including, to the extent a lease exists on the plaintiff's property. SWN is a successor in interest to the Chesapeake entities and/or assignee of the plaintiff's mineral leases. SWN stands in the shoes of the Chesapeake entities.
- 136. Full relief among all parties cannot be granted without SWN as a party defendant in this case.
- 137. There is a glimmer of hope that a claim could succeed by any plaintiff against SWN.
- 138. SWN, by the purchase agreement with the Chesapeake entities, assumes the liabilities of the defendants CHK and Capital Land Services and CLS Group.
- 139. SWN has paid hundreds of millions of dollars in performance of their obligation of their purchase agreement.
- 140. By virtue of the purchase agreement SWN has a legal interest in the lease with the plaintiffs and ratifies, adopts and assents to the actions of CHK and the other defendants.
- 141. SWN is/will be liable for the damages caused by CHK and Capital Land Services and CLS Group.
- As the holder of the alleged leases on the plaintiffs' property, SWN will be the entity(s) responsible for causing the harm of which plaintiffs complain herein.
- 143. Upon information and belief, all or part of the plaintiff's acreage is contemplated and transferred pursuant to this transaction.



- 144. Upon information and belief, now and upon completion of the sale SWN will have failed to pay the lease extension amounts contemplated by the leases herein.
- 145. The substantive allegations against the Chesapeake Entities are restated herein against SWN.
- 146. SWN has/will cause(d) the plaintiff's damages as contemplated herein.

 Count XV Arbitration Clause is void, unenforceable, unconscionable
- 147. The Arbitration clause as contained in the leases attached in the leases is void, unenforceable, and unconscionable.
- 148. CHK included an ambiguous Arbitration clause in its lease agreements that is unfair in its scope and application. The Arbitration clause is included in the lease agreements as a critical element of CHK's overall strategy to unfairly take away West Virginia mineral rights owners ability to pursue litigation in a public forum to expose the tactics employed by CHK to convince unsuspecting mineral rights owners to sign unfair, one sided leases.
- 149. CHK's Arbitration provisions are in direct conflict and otherwise unenforceable in this application because other language in the lease identifies an alternative mechanism to address the termination of the lease. As the Arbitration clause in the subject lease in this case does not address the specific circumstance in this case or is otherwise ambiguous as to its scope and meaning, it must be stricken from the contract and not used as a means to divest the plaintiffs of their Constitutional rights to address their claims in an open forum.



150. The subject clause provides as follows:

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

- 151. In this circumstance the terms "disagreement between Lessor and Lessee concerning this Lease," is undefined and if given a generous tolerance to its traditional meaning would not be interpreted to apply to the circumstance present in the subject case, i.e. termination or expiration of the lease. The term disagreement simply means to participate in the act of disagreeing, or to be at a "state of being at variance". Under the substantive law of West Virginia a clause with such unilateral and unequal terms is procedurally and substantively unconscionable and insufficient to support an Order compelling arbitration.
- 152. The Arbitration clause provides the limited circumstances that may be arbitrated to include performance under the lease and damages caused by operations. These two undefined conditions are void due to ambiguity, and if given their ordinary meaning, are contrary to the substantive law of West Virginia on grounds that such clause is procedurally and substantively unconscionable and insufficient to support an Order compelling arbitration.
- 153. The Arbitration clause is also in conflict with the other clauses contained within the leases such that the Arbitration clause and the mere inclusion of it in the lease is further evidence that it is included in the lease to dupe and confuse the lease signers and to deprive them of their rights to trial.



¹ www.merriam-webster.com/dictionary/disagreement.

154. The Arbitration clause was not explained. While the defendants made representations about the legal meaning of many other clauses, such representations were in direct conflict with the meaning of the Arbitration clause as the defendant CHK and its related entities have historically implemented the clause. As the involved defendants were engaged in the unauthorized practice of law and made representations concerning the lease, the failure to fully and adequately explain all elements of the lease, including the import and application of the Arbitration Clause adds to the unconscionable nature of the clause, its meaning and application. Thus, the clause should be stricken from the document.

Count XIV - Damages

The plaintiffs restate and re-allege the preceding allegations as if restated fully herein.

- 155. The conduct, actions, and inactions described above reflect a breach of a legal responsibility to the plaintiffs that caused damages.
 - 156. Plaintiffs are entitled to an award of attorney's fees and costs.
 - 157. Plaintiffs are entitled to immediate unfettered possession of the subject property.
- 158. Plaintiffs are entitled to the market value of all liquids and gasses accessible in the Marcellus Shale formation.
- 159. Plaintiffs are entitled to the market value of upfront bonus money for the extension of the primary term.
- 160. Plaintiffs are entitled to compensatory and punitive damages for breach of fiduciary duty.



- 161. Plaintiffs are entitled to compensatory and punitive damages for breach of implied covenant of good faith and fair dealing and breach of fiduciary duty.
- 162. Plaintiffs are entitled to compensatory damages for breach of contract and breach of lease.
- 163. Plaintiffs are entitled to compensatory and punitive damages for slander of title and negligent and/or intentional misrepresentation.
- 164. Plaintiffs are entitled to compensatory and punitive damages for tortious interference with business relationship.
- 165. Plaintiffs are entitled to compensatory and punitive damages for the unauthorized practice of law and improper notary claim.
 - 166. Plaintiffs are entitled to compensatory and punitive damages for trespass.
- 167. Plaintiffs are entitled to compensatory and punitive damages for defendants' conversion of their property.
- 168. Plaintiffs are entitled to damage for the lost business opportunity for the market value of the property and the mineral interest.
- 169. Plaintiffs are entitled to general damages, lost profits, annoyance and inconvenience, and any other damages awardable by law.
 - 170. Plaintiffs are entitled to proceed with this civil action without arbitration.

WHEREFORE, the plaintiffs respectfully request that this Court issue Judgment against the defendants, find the leases Abandoned, Expired, Abandoned and Void, ORDER the immediate eviction of the defendants from the property, AWARD compensatory damages, AWARD lost royalties, AWARD damages for conversion of mineral interest, damage to property, trespass, breach of contract, economic loss, opportunity cost, annoyance and



inconvenience, and all other compensable damages allowable by law, including punitive and exemplary damages, with pre and post judgment interest thereon until paid in an amount in excess of the jurisdictional limits of this Court plus attorney's fees and costs.

THE PLAINTIFFS DEMAND A TRIAL BY JURY OF ALL ISSUES AND DAMAGES.

GW Rentals, LLC Windmill Truckers, Inc. Lee J. Glessner, Gary W. Glessner, Norma Tubaugh, Dawnisa Tubaugh, Clarence Tubaugh, Glessner Real Estate Properties, LLC, Robert B. Elliott, and Kathy A. Elliott By Counsel.

Mark A. Kepple, Esq.

WV Bar Id. 7470

Bailey & Wyant, P.L.L.C. 1219 Chapline Street

Wheeling, WV 26003

Phone: (304) 233-3100 Fax: (304) 233-0201

mkepple@baileywyant.com



CERTIFICATE OF SERVICE

I certify that I have served the appearing parties by filing the same in the ECF system.

Mark A. Kepple, Esq.

WV Bar Id. 7470

Bailey & Wyant, P.L.L.C.

1219 Chapline Street

Wheeling, WV 26003

Phone: (304) 233-3100 Fax: (304) 233-0201

mkepple@baileywyant.com





788 PAGE 704 BOOK

PAID-UP OIL & GAS LEASE

Lease No. <u>256</u>014

This Lease, made this \(\frac{1}{2} \) day of \(\frac{Avg.}{200B} \), by and between Leo J. Clessner, a married man dealing in his sole and separate property and Oary W. Olessner, a married man dealing in his sole and separate property, whose address is Box 128 Valley Grove, West Virginia 26050, increinafter collectively called "Lessor", and CHESAPRAKE APPALACHIA, L.L.C., an Oktahona limited flability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lesson

and Lessee agree as follow

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mine-out area, coal seam, and all communicating zones, and their liquid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, prelinten, operate, cease to operate, plug, abandon, and remove wells; to use or install mosts, electric power and telephone facilities, and to construct pipelines with appurterant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leastheld of from neighboring lands across the Leastheld, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Lessehold is located in the District of Triadelphia, in the County of Ohlo, in the State of West Virginia, and

described as follows:

Property Tax Parcel Identification Number: T9/5

and is bounded formerly or currently as follows:
On the North by lands of GW Rentals and Multiple Parcels of Land;
On the East by lands of Mol liple Parcels of Land;

On the South by lands of Multiple Parcels of Land;
On the West by lands of Windmill Trackers Center, inc.;
Including lands acquired from Bernard J. Miller by virtue of deed dated November 21, 1969, and recorded in Deed Book SiQ, at Page 460, and described for the purposes of this agreement as containing a total of 78.519 Leasehold acres, whether setually more or less, and including configuous lands owned by Lessor. This Less else enverse and includes, in addition to that above described, all last, it may, configuous or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lesses for a more

complete or accurate description of said land.

LEASE THEM. This Lease shall remain in force for a primary term of Five (5) years from 12:00 A.M. Avg 1 2:008 (affective dete) to 11:59 F.M. Fig. 1 2:013 (last day of primary term) and shall continue beyond the primary term auto the endirely of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lease to be capable of production is located on the Leasehold or lands gooded/unitized therewith, or (iii) the gas, or their constituents. constituents, are produced from the Leazehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands proled/unitized therewith is used constituents are produced took one benefit or the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lesse's operations are delayed, perpended or interrupted as a result of any cost, stone or other mining or mining related operation under any existing and effective lesse, percelt or authorization covering such operations on the leased premises or on other mining the leased premises, each delay will suromatically existent the princary or secondary term of this oil and gas lesse without additional compensation or performance by Lesses for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the elternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be concluded evidence that he Less has been extended

beyond the primary term.

EXTENSION OF PRIMARY TERM -Lesses has the option to extend the many-term of this Loase for one-additional form of five (5)

EXTENSION OF PRIMARY TERM. Lesses has the option to extend the primary term of this Lesse for one additional term of five (5) years from the expiration of the primary term of this Lesses, the cases may exercise this option to extend this Lesse from or before the expiration date of the primary term of this Lesses, Lesses pays or tenders to the Lesses or to the Lesses's redit an amount equal to the initial consideration given for the extention amount. Exercise of this option to at Lesses colo discretion and may be two-loop by Lesses-where the other-stemative of the Lesses extended the Lesses Term clauses extended the Lesses that the continuation of the Lesses from a new between the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LRASE: The language of this Lesse (including, but not limited to, the Lesse Term and Extension of Term clauses) shall never be read as language of special limitation. This Lesse shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lesse where the circumstances exist to maintain this Lesse in effect under any of the called the mechanisms set forth above. In connection therewith, (f) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to differ the oil or gas to market, and (ii) the Lesses shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lesses shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital over the oil or gas to market, and (ii) the Lesses shall be deemed to be capable of production if it has the capacity and other expiratory work including, but not be limited to, performing any prelimin

plug back in the same or different formation or regain a well or equipment on the Lesschold or any lends pooled/unitized insterior to, performing any preliminary or preparatory work necessary for deliling conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewish and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approved process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lesse shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfellure due to any action or limation by the Lessee, less including, but not limited to making any prescribed payments authorized under the terms of this Lesse, unless the Lessee has received written notice of Lessor's demand and therefore falls or refuses to satisfy or previde justification responding to Lessor's demand, within 60 days from the receipt of such notice. If Lessee hall be deemed to satisfy this provision, this Lessee shall be deemed to satisfy this provision, this Lessee shall be deemed to satisfy this provision, this Lessee shall be deemed to satisfy this provision, this Lessee shall continue in full force and or direct and means or or the claims for relief will seeme to satisfy this provision, this ease shall continue in full force and effect and no further damages (or other claims for telief) will scene in Lasco's favor during the pendency of

the dispute, other than claims for payments that may be due under the terms of this Lesse.

<u>PAYMENTS TO LUSCOZ.</u> In addition to the bones paid by Luscot for the execution leaved, Lessee covenants to pay Lessor.

proportionate to Lessor's percontage of connecting, as follows:

(A) DELAY RENTAL: To pay Lessor as Delay Restat, after the first year, at the rate of fire dellars (15.00) per not acre per year payable in advance. The parties hereto agree that this is a Feid-Up Lesse with no further Delay Restal and/or Delay in Marksting payments due to

Lessor during the primary term hereof.

(B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasahold, as follows:

1. OIL: To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-sight (1/8) part of all oil and any constituents thereof produced and marketed from the Lessehold.

thereof produced and marketed from the Lessenote.

2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the net amount realized by Lessee, computed at the wellhead. As used in this lesse, the term "net amount realized by Lessee, computed at the wellhead and the point of saie As used in this Lesse, the term "post-production costs incurred by Lessee between the wellhead and the point of saie As used in this Lesse, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating



800K 788 PAGE 705

liquid hydrocarbons from gas, other than condensate separated at the well, and (o) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to be point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold sudor the amount sold gas on the state of the gas, and (g) any and all other costs and expenses of any ideal or nature incurred in regard to the gas, or the handling threeof, between the volliand and the point of sale. Lesses may use its own pipelines and equipment to provide such acrives; and if Lesses uses its own pipelines made quipment to provide such acrives; and if Lesses uses its own pipelines made only any and include without limitation reasonable depreciation and amortization expenses relating to such facilities, together with Lesses's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of reyally, Lessor may be required to execute a Division order certifying Lessor's intrest in production. Lesses may pay all taxes and feet levied upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fleet, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder. Lesses may withheld exceeds tiffly dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lesses drills a well on the Lesseshold or lands pooled/unifized therewith that Lesses defent to be capable of production, but does not market producible gas, oil, or their constituents, therefore and there is no other basis for extending this Lesse, stall pay after the patterny term and until such time as rearketing is established (or Lesses surrections the Lesses) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rapital payment, and this Lesse shall pay after the patterny term and until such time as rearketing is e

as payment of Royalty.

Marketing payment equal in amount and frequency to the annual Delay Regulal payment, and this Lesse thall remain in full force and effect to the same extent as payment of Royally.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) months, and three is no producing well on the Lesseshold or lands pooled/unitated therewith, Lesses shall three-lifer, as Royally for constructive production, pay a Shut-in Royally equal in amount and frequency to the annual Delay Rental payment into the new production is re-established (or Lesses surreaders the Lesse) and this Lesse shall remain in full force and effect. During Shut-in, Lesses shall have the right to rework, pirmitted, or deepen any well on the Lesseshold or to drill a new well on the Lesseshold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Lesseshold is indemuted for a period of less than twelve (12) months, this Lesses shall remain in full force and effect without payment of Royally or Shut-in Royally.

(B) DAMAGES: Lesses will remove unnecessary equipment and materials and recisin all distanced lands at the completion of activities, and Lesses are greated to repair any damagnd improvements in the fined and pay for the loss of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lesses shall make not tradered in payments and electic payable to Lessor, at Lesser's last known address, and Lesses may withhold any payment panding notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Expensi), and payment is the payment as the electric burder.

(G) CHANGE IN LAND OWNERSHIP: Lesses shall not be bound by any change in the americal of the Lessehold until furnished with not documentation at Lesses may reasonably require. Pending the receipt of documentation, Lesses may elect clit

(i) LIENS: Lesses may, at its option, pay and discharge any past due taxes, mortgages, judgment, or other lient and susualtrances on or against any land or interest facilided in the Lesseshold; and Lesses shall be suffiled to resoure from the diction, with legal interest and costs, by deduction from any future payments to Lesses or the wild interest.

(i) CHARACTERIZATION OF PAYMENTS: Payments set furth hereis are coverents, set special limitations, regardless of the manner in which these payments may be involved. Any failure on the part of the Lesses to timely or otherwise properly tender payment on never result in an automatic surmination, origination, sense faither, or farther and active violent that it and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that the Lesse is the product of good faith negotiations. Lessor inside the payment terms and bonus payments are final and that Lesses that the product of good faith negotiations. Lessor that the payment such payments are set farth hereis and that Lesses and the Lesses to tended or modify the lesses payments, or seek additional consideration based upon of any differing terms which Lesses has or will negotiate with any other lesses payments, or seek additional consideration based upon of any differing terms which Lesses has or will negotiate with any other lesses payments, or seek additional consideration based upon of any differing terms which Lesses has or will negotiate with any other lesses payment, or seek additional consideration based upon of any differing terms which Lesses has or will negotiate with any other lesses payments.

(S) PAYMENT REDUCTIONS: If Lessor payments are set furth showed, revealed in the results and payment or payments are set furth showed and seek and which provides and payments are set furth showed and seek and the lesses with a payment or payment in the payment or payments bears in the set of conting the payment or payments are set furth showed and seek payments are set fu

Lessor shall not event any building or structure, or plant any trees within 200 feet of a well or whith 25 feet of a pipelina without Lessor's written consent.

Lessor shall not event any building or structure, or plant any trees within 200 feet of a well or whith 25 feet of a pipelina without Lessor's written consent.

CONVERSION TO STORAGE. Lessor is hereby granted the right to convert the Lessohoft or lands posted/milized therewith to get storage. At the time of conversion, Lessor shall not perceive a proportionate part for the estimate recoverable gas remaining in any well delied pursuant to this Lesse using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Lessehold and/or lands pooled/milized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment as a mount equal to Debay Restaid for as long thereafter as the Lessehold or lands pooled/milized therewith for the Lessehold or lands pooled/milized movement and any part of the Lessehold or lands pooled or milized therewith for the underground storage of gas, or for the protection of storage gas will ended his Lesse beyond the primary term as to all rights granted by this Lesse, including but not limited to production rights, regardless of whether the production and storage rights are counted together or separately.

INTERESTAIL Lessor thereby warmane generally and agrees to defend title to the Lessehold and coverants that Lessoe shall have been shall never benefic of the doctrine of after sequired site. Should any person having title to the Lessehold this to ecceute the Lesse shall neverally a binding upon all persons the documents at all lessor.

Lifest DEVELOPMENT. There is no implied coverant to drill, person drillings, further develop or market production within the primary term or any outness. Provisions beard, including, but not timited to the prescribed payments, coeribite full sources and any person having title to the complex of

privileges herein granted.

COVENANTS. This Lease and its expressed or implied coverants shall not be addless to temphatism, inflature of rights, or damages due to failure to coverply with obligations if compliance is effectively prevented by Rederst, state, or local law, regulation, or decree, or the acts of God

to ballure to comply with obligations if compliance is effectively prevented by tederas, state, or some law, regulation, or decree, or the acts or God and/or third perties over when Lessee has no combot.

RIGHT OF PRINT REPUSAL. If at any time within the primary term of this lesse or any continuation thereof, Lesser receives any bona fide offer, acceptable to Lesser, to grant an additional lesse ("Top Lesse") covering all or part of the Lesseholf, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lesse or equivalent terms and conditions. Any offer must be in writing and must set fouth the proposed Lessee's manne, bonus consideration and regular conditions. Top Lesse, and include a copy of the lesses form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lesse. Lessee shall have filtern (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its elsection to enter into an oil and gas lesse with Lessor on equivalent terms and

788 PAGE 706

conditions. If Lessec fails to notify Lesser within the aforesaid fifteen (15) day period of its election to rest any such bona fide offer, Lesser shell have the right to accept said offer. Any Top Lesse granted by Lesser in violation of this provision shall be nell and yold.

have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be nell and vold.

ARBITRATION. In the event of a disagreement between Lessor and Lesses concerning this Lesso, performance thereunder, or demages caused by Lessor's operations, the resolution of all such disputes shall be determined by arbitration in secondance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessor.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessor is embodied form. No oral variantics, representations, or promises have been made or relied upon by either party as an inducament to or modification of this Lesso.

SURRENDER, Lessor, at ony time, and from time to time, may surmeder and caused this Lesse as to all or any part of the Lessohold by recording a Surrender of Lesso and therrupon this Lesso, and the rights and obligations of the parties havening, shall terminate as to the part so surmedered; provided, however, that upon each surrender as to may part of the Lessoshold, Lessos shall have reasonable and convenient essenants for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and lightliftes herein benefit and bind Lessor and Lessos and their heirs, successors, and assigns.

FORCE MAPBURE. All express or implied covenants of this Lesse shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessoe's fallifilment of its obligations becaused may reverse destrictly, that, access or easternats, or by fine, flood, adverse weather conditions, war, subolage, rebellion, insurrection, riot statio of labor disputes, or by finability to obtain awa tests, rates, regaments or orwers, or by maponty to section accessary permits, equipment, services, miteria, were, depricity, field, access or extensits, or by fire, flood, advance weather conditions, was, sabotage, rebellion, insurrection, clot, stille or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not massorably within Lessee's control, this Lessee shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or dolay shall be added to the term hereof. Lessee shall not be itable in damages for breach of any supress or implied convenues of this Lesse for failure to comply therewish, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force maleure.

or operation of force majoure.

SEVERABILITY. This Lesse is intended to be in conformity with all laws, rules, regulations and orders and interpreted as such. If any provision of this Lesse is held invalid or unemforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unemforceable only in part or degree will remain in full force and effect.

extent not held invalid or unenforceable.

COUNTERPARTS. This Lease may be executed in one or other counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to counting one and the same agreement.

REPERENCE EXHIBITY AT ATTACKED HERETG ANDMADE A PART HEREC?

(Scal) (Seal) (Scal) Wigness Document prepared by: Chatapeake Appalachia, L.L.C., P. O. Box 6070, Charleston, West Virginia 23362-0070. **ACKNOWLEDGMENT** ALHOSIY TEST TO STATE COUNTY OF OHIO On this the Th day of On this the 'M' day of WWW. 2008, before me, the undersigned authority, personally appeared Lee J. Glessner, who, being duly swem according to law, depose and exy that they executed the foregoing instrument for the purpose therein sectioned. Well Confidence of IN WITNESS WHEREOF, I hereunto set my hand and official seal. My Commission Expires: Signature/Notary Public: Nema/Notary Public (print): XATIL Recorder: Return to Chesapetike Appalachia, L.L.C., Land Dept., P. O. Box 6070, Charleston

BOOK 788 PAGE 707

٠,

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated A. 2008, by and between Lee J. Glessner, whose address is Box 128, Valley Grove; West Virginia 26060 as Lessons, and Chesapeake Appalachia, L.L.C., as Lesson, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessoe's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Hold Harmiess Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, induntify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Recignation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gas Clause

Annual Payment of 300 and X S sold in Lieu of Free Gas Clause if, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to teceive free gas, then upon approval of Lonson's written request for five gas, and other Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lassor's execution of Lossee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indomnify Lesses from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for horein, Lesser shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators famished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder will not be entitled to use wellhead gas, free or otherwise. The rights granted herein

800K 788 PAGE 708

related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause
It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

ee J. Wiessner

PATRICIA A FALLY
UNIO COUNTY 01:26:54 PH
Instrument to 17:7430
Document type 0467,
Book-Pase 768-704
Recording Fee \$5.00
Admittoral \$6.00

BOOK 790 PAGE 192

PAID-UP OIL & GAS LEASE

Louis No 245 #32

This Lease, made this 11 9 2008, by and between GW Renials, LLC, a West Virginia Corporation, whose address is 2084
National Road, Wheeling, West Virginia 26003, heroinafter collectively called "Lessor", and CHESAPEAKE APPALACHIA, LJ.C., an
Oklahoma limited liability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessor".
WITNESSETH, that for and in consideration of the prentises, and of the mutual covenants and agreements hereinafter set forth, the Lessor

WITRESSTIM, that for and in consideration or the premises, and or the mutual covenants and agreements hereinster set torm, the Lessor and Lesses agree as follows:

LEASING CLAUSE. Lessor hereby lesses exclusively to Lesses all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbous and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, min-out area, coal team, and all communicating zones, and their fliquid gassous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein tessed, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Lessehold, and from adolphing lands, using methods and techniques which are not restricted to current fechnology, including the production from the Lesschold, and from adjoining lands, using methods and techniques which are not restricted to current échnology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cesse to operate plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appuratement facilities, including data saquisition, compression and collection facilities for use in the production and transportation of products from the Lesschold or from neighboring lands across the Lesschold to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, regain, and remove maintail and equipment.

DESCRIPTION. The Lesschold is located in the District of Trindelphia, in the County of Ohjo, to the State of West Virginia, and described as follows:

Property Tax Parcel identification Number, T4/4

and is bounded formerly or currently as follows

On the North by lands of Randall Davis: On the East by lands of Nancy Custor,

On the South by lands of Covenanter Church Road/Ridge Road;

On the West by lands of Lee J. Glessner;

On the west by same or Leas. Answers; including lands acquired from Leas. A steamer's virtue of deed dated August 9, 1999, and recorded in Deed Book 714, at Page 234, and described for the nurposes of this agreement as containing a total of 10.68 Leasehold zones, whicher astually name or lass, and including configuous lands owned by Lesson. This Lease also covers and includes, in addition to that above described, all land, if any, configuous or adjacent to or adjoining the land above described and (a) owned or claimed by Lesson, by limitedon, prescription, possession, reversion or unrecorded instrument or (b) as to which Lesson has a preference right of acquisition. Lesson agrees to execute any supplemental instrument requested by Lessee for a wors complete or bus lo notiginess everyos

gas, or two discrete the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lesseds operations are dalayed, postponed or interrupted as a result of env coal, stone or other mining or unlargerested operation under any existing and effective less, permit or authorization covering such operations on the lessed premises or on other lands attorting the lessed premises, such delay will automatically extend the orimaty or secondary term of this oil and gas lease without editional compensation or performance by Lauree for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lorse beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive coldence that the Lessor has been extended

spectract fierral, the payment to the Lessor of the presented payments provided but on some status of short the primary term.

EXTENSION OF PRIMARY TERM. Lesses has the option to extend the primary term of this Lease for the additional term of five (5)

Lesses must extend this efficient to extend this Lease if on or before the expiration date of the primary term of this Lesses, lesses pays or enders to

Lessor or to the Lessor's credit as amount equal to the latital consideration given for the execution heart. Extends of this option is a Lease to the second plant and the second plant of the lessor or to the Lessor where no other alternative of the lesses Term clause extends this Lease beyond the primary term.

No Alternative to the Presentation of the Presentative of the lesses Term clause extends this Lease beyond the primary term.

sofe discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lesser beyond the principly term.

NO AUTOMATIC TERMINATION OF PORFEITURE

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, for feiture, cancellation or expiration and in favor of giving effect to the condituation of this Lease where the circumstances exist to maintain this Lease in effect under any of the elementary of the explaints are storth above. In connection therewish, (i) a well shall be deemed to be explained for the anguage of any capital cores to drill or equip the well, or to deliver the old or gas to market, and (ii) the Leases shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lease is created in geophysical and other explanatory work including, but not limited to, activities to drill en altitled well, to drill a now well, or to rework commande, deepen, siterack, flag, plus back in the same or different formation or retair a well or conformant on the Leasehold or any lands social/qualitized therewith (such servicities) entirely the entirely in the provision of the restriction of the capital control of the provision of the provision of the capital control of the provision of the entirely exploratory work including, but not limited to, activities to drill as initial well, to drill a now well, or to awork, sünnalate, deepen, siderack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any into a producing internal countries shall include, but not be limited to, performing any praisminary or preparatory work necessary for drilling, conducing internal ecoholeal analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith affort to develop a well or that the cosmion or interruption of activities was beyond the control of Lessee, including interruptions caused by the cost of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(2) LiMITATION OF FORFITURE: This Lesse shall never be subject to a civil action or proceeding to enforce a claim of termination.

cancellation, expiration or forfeiture due to any ection or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lesse, unless the Lessee has received written notice of Lesso's demand and thereafter falls or reduces to satisfy or revide justification responding to Lossor's demand within 60 days from the receipt of such notice. If Lesser timely responds to Lessor's demand. but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be decined to satisfy this provision, this Lesse shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this I case

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to psy Lessor, proportionals to Lessor's percentage of ownership, as follows:

(A) DELAY RENTAL: To psy Lessor as Delay Rental, after the first year, at the rate of five delians (\$5.00) per net acre per year psyable in advance. The parties hereto agree that this is a Paid-Up Lessee with no further Belay Rental and/or Delay to Marketing payments due to Lessor during the primary term hereof.

(B) ROYALTY: To pay Lessor as Royally, less all taxes, assessments, and adjustments on production from the Lesschold, as follows:

1. OIL: To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-cighth (1/3) part of all oil and any contribuents thereof produced and marketed from the Lesschold.

2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the net amount realized by Lessee, computed at the wellhead. As used in this lease, the term 'net amount realized by Lessee, computed at the wellhead and the point of sale. As used in this Lesse, the term 'post-production costs incurred by Lessee between the wellhead and the point of sale. As used in this Lesse, the term 'post-production costs' shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating

790 PAGE 193 BOOM

liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the well-head and any production or treating fiscilities, and transportation to the point of sais, and (d) compressing gas for transportation and delivery purposes, and (e) netering oil and/or gas to determine the amount soil said or the amount under by Lasses, and (f) saids effects, commissions and fees paid to third parties (whether or not affiliated) in connection with the rate of the gas, and (g) say and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellbard and the point of sale. Lesses may use its own pipelines and equipment to provide such receiving processing, separating, transportation, compression and metaing services, or it may singage others to provide such services; and if Lasses uses its own pipelines and/or equipment, post-productia costs shall include without himitation reasonable depreciation and amountsation expenses relating to such facilities, together with Lessee's cost of cipital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lesser may be required to crecute a Division Order certifying Lessor's interest in production. Lesses may pay all taxes and fees levited upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so peld from any montes payable to Lessor have made. Lessee may withhold Royalty payment until such time as the total withhold exceeds fifty dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lasts production and have is no other basis for extending this Lease, Lessee shall pay after the primary summ and until such time as marketing is austhifiated (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the

same extent as payment of Royalty.

same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasahold or lands production therewith, Leases shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Leases shull nearly equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Leases shull have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing will not the Leasehold is interrupted for a period of leas than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(B) DAMAGES: Leases will remove unnecessary equipment and materials and recision all distarbed lands at the completion of activities, and Leases may demaged improvements to the land and pay for the loss of growing crops or marketable distoer.

(F) MANNER OF PAYMENT: Leases shall make or tender all payments to here all or back to the shall be considered to the contract of the contract of the charge in addition. Fayment any to tendered by realification by Leasur of a charge in addition. Fayment may be tendered by realification by Leasur of a charge in addition. Fayment may be tendered by realification full and of approximation for the Leasehold until funished with such documentation as Lease may reasonably require. Pending the receipt of documentation, Lease may elect either to continue to make or established payments as Lease had not occurred.

such documentation as Lesice may reasonably require. Framing the receipt of documentation, Lesice may elect state to communic to make or withhold payments as if such a change had not occurred.

(ii) TITLE: If Lesice receives evidence that Lesion does not have title to all or say part of the rights herein lesion, Lesion may immediately withhold payments that would be otherwise due and payable hereunder to Lesion until the advance claim is fully resolved.

(i) LIENS: Lesion may, at its option, pay and discharge any part due texes, montgages, judgments, or other liens and snaumbrances on or against any land or interest included in the Lesion and Lesion shall be entitled to recover from the debox, with legal interest and costs, by

(i) LENS: Lessee may, at its option, pay and cleases shall be ontitled to recover from the surveys cannat amount recovers.

(j) CHARACTERIZATION OF PAYMENTS: Payments sat furth herein are coverants, not special limitations, regardless of the measure in which these payments may be invoked. Any fallow on the part of the Lessee to timely or otherwise properly entered payment can sever result in an activative termination, septendos, consolistion, or forfeiture of the Lessee to timely or otherwise properly entered payment can sever result in an activative termination, septendos, consolistion, or forfeiture of this Lesse. Lesser recognization and the server payment can sever result in an activative termination, septendos, consolistion, or forfeiture of this Lesse. Lesser recognization may be invoked. Any fallow on the part of the Lessee. Lesser recognization may be invoked. Any fallow on the part of the Lessee. Lesser recognization may be appreciated the form of settle, because said toyally, eas vary depending on multiple factors and that this Lesse is the greduct of good falls negatiations. Lesser hereby agrees that the payment termit, as as forth herein, and any bonus payments paid to Lesser settle of good falls negatiations. Lesser hereby agrees that the payment termit, as as forth herein, and any bonus payments paid to Lesser of good falls negatiations. Lesser recollected and activation agrees that the payment paid to Lesser and the settle of the payments of the control of the payments of the control of the payment of the settle and the payment of the Lesser and the payment payment termits and the payment payment of the payment of

production and storage rights are owned together or separately.

production and storage rights are summed to general or experiency.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend this to the Lessahold and covenants that Lesses shall have quiet mijoratent hereunder and shall have benefit of the docume of after acquired talls. Should my person having this to the Lessahold full to execute this Lesso; the Lesses shall nevertheless be binding upon all persons who do execute it as Lessor.

EASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the privacy term or any exception of term of they have. There shall be not Lessahold further, anothering, applications or manufactures. comply with said implied coverants. Provisions herein, including, but not limited to the prescribed psyments, constitute full comp

privileges herein granted.

COVENANTS. This Lesse and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or demages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the sets of God

and/or third parties over whom Lessee has no control.

ansor unto patter over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any dire within the primary term of this lesse or any continuation thereof, Lessee receives any botta
fide offer, acceptable to Lessee, to great an additional issue ("Top Lesse") covering all or past of the Lessehold, Lessee shall have the continuing
option by meeting any such offer to acquire a Top Lesse on equivalent terms and conditions. Any offer must be in writing and must set forth the
proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lesse, and include a copy of the lesse form to be
utilized reflecting all pertinent and relevant terms and conditions of the Top Lesse. Lessee shall have fined (15) days after receipt from Lesser of 8

utilized reflecting all pertinent and relevant terms and conditions of the Top Lesse. Lessee shall have fined (15) days after receipt from Lesser of 8 complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gu lesse with Lessor on equivalent terms and

and the second of the second o

have the right to accept said offer. Any Top Lease granted by Lessor in via ARBITATION. In the event of a disagreement between Lesson claused by Lesson's operations, the resolution of all such disputes shall it adherent the acceptance of the property of	see and Lessee concerning this Lesse, performance thereunder, or damage be determined by arbitration in accordance with the rules of the America in shall be borne equality by Lessor and Lessee. For and Lessee is embedded hardin. No oral warranties, representations, or and Lessee is embedded hardin. No oral warranties, representations, or to or modification of this Lesses, and surrander and cancel this Lesses as to all or any part of the Lesseshold by and obligations of the parties hereinder, shall terminate as to the part a of the Lesseshold, Lessee shall have reasonable and convenient easements in the lands surrendered. I have shall be midject to all applicable laws, rules, regulations and orders Lessee's fulfillment of its obligations becomed are prevented or delayed by the permits, equipment, services, nateral, water, electricity, find, access or included in the production, or by any other cause not reasonable to take or transport much production, or by any other cause not reasonable by, or failure is the result of any applicable laws, rules, regulations or order with all laws, rules, regulations and orders and interpreted as such. If any competent jurisdiction, the other provisions of this Agreement will remain in full fonce and effect to the recounterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts, each of which will be deemed to be an original copy of this counterparts.	es in or by soote yer n yd ei a yn ee
Winese SINS	Gay W. Gloscher J.I., President (Seal)	
Witness	(Seal)	
Winess	(Seal)	
Wimees		
Document propared by: Chesapeake Appalaithis, L.L.C., F. O. Box 6075), Charleston, West Virginie 25362-0970.	
Corporate ac	Cknowledgment	
State of Weet Virginia		
COURTY OF OHIO		
On this the 19 day of 100 , 2008, before me, it acknowledged himself to be the Projector of GW Rentals, LLC and that foregoing instrument for the purposes therein contained by signing corporation.	the undersigned authority, personally appeared Cury W. Glessner, III with an each being authorized to do so, executed of the name of the corporation by bimself as	ho he . a
IN WITNESS WHEREOF, I heromto set my hand and official	I seel,	وسد
My Commission Explosic — il. Signature/Notery Public: — NumerNotery Public (print); Ki	Why C. Chutt	
Recorder: Return to Chestpeaks Appalachie, L.L.C., Land Dept., P. O. 1	Box 6070, Charleston, WV 25362-0070	

ADDENDUM

Attached to and made a part of that certain Oil and Gas Lease dated 1908 by and between GW Rentals, LLC, a West Virginia Corporation, whose address is 2034 National Road, Wheeling, West Virginia 26003, as Lessors, and Chesapeake Appalachia, L.L.C., as Lessee, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1) Lacation Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Hold Harmless Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of say laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomseever or whatseever arising out of or caused by any negligence of the Lesseo or those holding under Lessee.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil crosion. Further, any related surface reclamation shall be done in a manner which restores said land as nasrly to original contours as reasonably practical.

(4)Free Gas Clause

Annual Payment of 200 mcf X & sold in Lieu of Free Gas Clause:

If, and only if, Lassor is entitled to receive free gas, whether by virtue of the ownership of the surface of the lessed premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the name, or the express record title right to revolve free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Leaser's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') root radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lesses; and subject further to the use. maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipclines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lesses and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lesses from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder

BOOK 790 PAGE 196

will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual eash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lesse to provide gas free of cost to Lessor, his successors, helrs and assigns.

(5) Hunding Clause
It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENT PICATION:

Gary W. Glessner III., President

PATRICIA A FAMEY
UNIO County 02:15:06 PM
Instrument in 1500115
Date Recorded 12/15/2008
bosument Type 0454,
Recording Fee 95.00
Additional \$6.00

790 PAGE. 210

PAID-UP OIL & GAS LEASE

This Lesse, made this Q day of 100 2008, by and between OW Rentals, LLC, a West Virginia Corporation, whose address is PO Box 205 Valley Grove, WV 2006, hereinafter oblied "Lessor", and CHESAPEAKE APPALACHIA, LL.C., an Oklahoras limited vompany, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessor".

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor

and Lessee agree as follows:

LEASING CLAUSE. Lessor hureby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, good gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mine-out area, coal seam, and all communicating zones, and their liquid gastous constituents, whether hydrocarbon or non-froresthon, underlying the land hertin leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appartment facilities, including that acquisition, compression and collection facilities for use in the production and transportation of products from the Lessehold or from neighboring lands across the Lessehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the District of Triadelphile, in the County of Ohio, in the State of West Virginia, and described as follows:

Property Tax Parcel Identification Number: T4/2.2

and is bounded formerly or currently as follows:

On the North by lands of Glessner.

On the East by lands of Multiple Percels of Land:

On the Equit by is its of Multiple Parcels of Land, On the West by lands of Sinclair,

On the West by lands of Sinciair, including lands sequence by virtue of deed dated August 9, 1999, and recorded in Deed Book 714, at Page 234, and described for the pirposes of this agreement as constaining a total of 26,646 Leasehold seres, whether actually more or less, and including configuous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adoling the land above described and (a) owned or claimed by Lessor, by limitation, prescription, passession, reversion or unrecorded insumment or (b) as to which Lessor has a preference right of secquisition. Lessor agrees to execute any supplemental instrument requested by Lesse for a more complete or

which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lesses for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of Five (5) years from 12:00 A.M. Mol 2008 (effective dead) to 11:59 P.M. COL 80 2013 (last day of primary term) and shall common beyond the primary term as to the entirety of the Leasehold of lands produced the primary term as to the entirety of the Leasehold of lands produced therein in search of oll. gas, or their constituents, or (ii) a well deamed by Lesses to be expende of production is tooled on the Leasehold or lands produced therein, are produced from the Leasehold or lands produced therein, or (iv) if the Leasehold or lands produced from the Leasehold or lands produced therein the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lesses operations are delayed, postponed or interrupted as a result of any acad, stone or other mining or mining related operation under any such delay will automatically material the primary of secondary term of this oil and gas lease without additional compensation or performance by it there is any dispute concerning the extended or interruption.

If there is any dispute concerning the extended or interruption, the payment to the Lease of the prescribed payments provided below shall be conclusive existence that the Lease below extended the primary seam.

specified literal, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lesso has been extended the primary term of this Lesso has the beginn to extend the primary term of this Lesso for one additional beam of five [3]

ACCENSION OF FRIMARY TERM Lesses has the beginn to extend the primary term of this Lesso, and the control of the primary term of this Lesse, said exhausion to be under the same erms and conditions secontained in this Lesse, tessed pays or tenders to the state of the Lessor's credit as encountered in this Lesso, to the Lessor's credit as encountered to the British consideration favor for the excellent primary term of this Lesso, to the Lessor's credit as encountered to the British consideration for the excellent primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LEASE: The language of this Lesso (including, but not imitted to, the Lessor Term and Extension of Term clauses) shall never be read as language of special limitation. This Lesso shall be construed against termination, forfeiture, excellation or explication and in favor of giving effect to the continuation of this Lesso where the circumstances exist to maintain this Lesso in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the off or gas to market, and (ii) the Lesso shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lesso is an expected and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, nituralized, deepen, sidetence, field, plug back in the same or different farmation or repair a well or expiratory work necessary for drilling, conducting themsel technical analysis to initials and/or further develop a w

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lease, including, bit not limited to making any prescribed payments authorized under the terms of this Lease, unless the Leases has received written notice of Leases's demand and thereafter falls or refuses to satisfy or provide justification responding to Leases's demand within 60 days from the receipt of such notice. If Lease timely responds to Leaves's quantition and sets from the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other dalms for relief) will secrue in Leases's favor during the pendency of FAMENTS. TO LEASON. In addition, the brane pold by Leases to the containing hisrari, Leases coverants to pay Leason, proportionate to Leases's percentage of ownership, as follows:

(A) DELAY RENTAL. To pay Leason as Delay Rental, after the first year, at the rate of five dollars (55.00) per not acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Leaser during the primary term hereof.

(B) ROYALTY: To pay Leason as Royally, less all taxes, assessments, and adjustments on production from the Leasehold as follows:

(B) ROYALTY. To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Lesschold, as follows:

1. Oil:: To deliver to the credit of Lessor, free of cost, a Royalty of the equal une-eighth (#B) part of all oil and any sometiments cof produced and marketed from the Lesschold.

thereof produced and marketed from the Lessenoid.

2. QAS: To pay Lessenoid.

2. QAS: To pay Lessenoid production according to the second production and lend, one-eighth of the net amount realized by Lessen, computed at the wellhead" shall mean the gross proceeds received by Lessen from the sale of oil and gas minus post-production costs incorred by Lessenoid the wellhead and the point of sale As used in this Lesse, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating



 α_t

BUOK 79 O PAGE 211

liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) instanting oil and/or gas to determine the amount seed of the gas, and (d) compressing gas for transportation and delivery purposes, and (e) instanting oil and/or gas to determine the amount seed of the gas, and (d) sales charges, combissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (d) any and all other costs and appears of any kind or nature incurred in regard to the gas, or the hundling thereof, between the wellhead and the point of sale. Lesses may use it to own pipelines and/or equipment to provide such servicer, and if Lesses uses its own pipelines and/or equipment on ease shall include without limitation reasonable depreciation and antering services, or in may engage others to provide such servicer, and if Lesses uses its own pipelines and/or equipment one case shall include without limitation reasonable depreciation and antering services are such servicer. In such facilities. Prior to payment of toyally, Lessor way be required to execute a Division Order certifying Lessor's interest in production. Lesses may pay all taxes and fice fevred upon the oil and gas as produced, indust, without limitation, severence taxes and privilege and surveillance free, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder. Lesses may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (330.00).

(C) DELAY IN MARKETING: In the event that Lesses delias well on the Lesseshall remain in full force and effect to the same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed f

earne extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or thrit constituents, is interrupted and not marketed for a period of tweive (12) months, and there is no producting well on the Leasthold or lands pooled/unlitted therewith, Lesses that theoretic, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lesses surrenders the Leasthold or to drill a new well on the Leasthold in an effort to re-establish producting formation or from a different formation. In the ovent that the production from the only producting well on the Leasthold in interrupted for a period of less than twelve (12) months, this Least shall emants in full force and effect without payment of Royalty or Shutha Royalty.

(E) DAMAGES: Lesses will remove unaccessary equipment and materials and reclaim sill disturbed lands at the completion of activities, and Lesses agrees to repair any damaged improvements to lice land and pay for the less of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lesses shall make or tender all payments due hereander by check, payable to Lessor, at Lessor's last known address, and Lesses may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Engrass), and payment is descred complete upon mailing or dispatch. Where the feet feet for any payment.

known address, and Lessee they withhold any payment pending notification by Lester of a change in address. Payment may be tendered by mail or any comparable method (a.g., Federal Engress), and payment is descreed complete upon mailing or dispatch. Where the few date for any payment payenthed beach takes on a holiday, fasturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(O) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change to the ownership of the i excelent until famished with such decanateration as Lervee may reasonably require. Pending the receipt of decanateration, Letree may reasonably require. Pending the receipt of decanateration, Letree may close either to continue to make or withhold payments as if such a change had no occurred.

(ii) TITLE: It Lessee receives evidence that Lesser does not have title to all or any part of the rights borein lessed, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lesser until the adverse claim is fully received.

(i) LIENS: Lessee may, at its uption, pay and dischange any past due taxes, mortgages, judgments, or other house and encembrances on or against any land or interest included in the Lesserhold; and Lessee shall be entitled to recover from the dabter, with legal interest and costs, by deduction from any future payments to Lesser or by any other lewful means.

against any land or interest included in the Lesschold; and Lessee shall be entitled to recover from the debter, with legal interest and costs, by deduction from any future payments to Lessor or by any other lewful means.

(i) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are convenient, not spacial limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to limity or otherwise propedy tender payment can never require in an automatic semination, explicition, exceedabling or forfathers of this Lesse. Lessor recognizes and acknowledges that oil and gas rease payments, in the form of retail, because and royalty, one vary depending on multiple factors and that this Lesse is the product of good fifth negotiations. Lessor hearthy agrees that the payment terms as set forth interin, said any formus payments paid to Lessor constitute full consideration for the Lessebold. Lessor further agrees that such payment terms and issues payments are final and that Lessor will not stock to amend or modify the lesse payments, or seek additional consideration based upon of any differing terms which Lessor has or will negotiate with any other lessorial and gas orast.

(K) PATMENT REDUCTIONS: If Lessor towns a tesser means in the oil or gas active and the attent which are the sains undivided fee attrapte epitate, then the maints (except for Delay Rental payments as ear forth above, royalties and shut-in royalties hardened shall be paid to Lessor only in the proporties.

INITIZATION AND POOLING. Lessor great Lesso she right to not, unitize, or combine all or were of the Lessebold with others.

remains (except for Delay seems progressed as set form according to pool, unities, or combine all or years of the Lesseboli with other tends, whether configuous or not consiguous, issued or unlessed, whether configuous or not consiguous, issued or unlessed or unlessed, whether configuous or not consiguous, issued or unlessed or unlessed

CONVERSION TO STORAGE. Lesses is hereby greated the right to convert the Lessebold or lands peocled/onlitzed therewith to gue assuage. At the time of convenion, Lesses shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any with drilled pursuant to this Lesse using methods of calculating gas reserves as are generally ecosed by the salved guest industry and, in the event that all wells on the Lessehold and/or lands pooled/unitized therewith have permanently cessed production, Lessor shall be paid a Conversion to Storage payment in an amount requisit to Belay Result for as long thereafter as the Lessehold or lands pooled/unitized therewith is/are used for ges storage payment are storage used. Conversion to Storage payment shall first become due upon the next manife Dahy Result and versage of any part of the Lessehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of storage study extend this Lesse beyond the primary term as to all rights granted by this Lesse, including but not limited to production rights, regardless of whether the production and storage rights are covered together or separately.

production and storage rights are owned together or separately.

TITLE AND INITERESTE. Leason hareby warrant generally and agrees to defend sitte to the Leasoned and coverants that Lease shall have quite enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should say preson having title to the Leasehold full to entruite this Lease, the Lease shall have benefit of the doctrine of after acquired title. Should say preson having title to the Leasehold full to entruite this Lease, the Lease shall have benefit of greates who do execute it as Leason.

LEASE DEVELOPMENT. There is no implied coverant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, temperature and comply with said implied coverants. Providing Perrir, including her for it includes the posterior approach, considered the compensation for the redulingest herein counted.

privileges herein granted.

COVERNATIS. This Lease and his expressed or implied coverants shell not be subject to intaination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Leases has no control.

RIGHT OF FIRST REPUSAL. If at any time within the primary term of this lease or any continuation thereof, Leasor receives any bone RECORD LY FIRST PREFUSAL. It as any more writin too primary term or any near seaso or any communican increot, Lessor receives any communication of the control of the contr

. . .

BOOK 790 PAGE 212

conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to most any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lesse granted by Lessor in violation of this provision shall be still and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lesse, performance their under, or damages caused by Lesses's operations, the resolution of all such disputes shall be dotermined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor at Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein. No oral warranties, representations, or promises have been made or relied upon by either party as an indusement to or modification of this Lesse.

SURRENDER. Lessee, as any time, and from time to time, may surreader and cancel this Lesse as to all or any part of the Lesschold by recording a Surrender of Lesse and thereupon this Lesse, and the rights and obligations of the parties because, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to surp part of the Lessehold, Lessee shall favoressors, and convenient easements for them existing wells, pipelines, pool times, neadmaps and other facilities on the Lends surrendered.

SUCCESSORS. All rights, duties, and liabilities herein banefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied coverants of this Lesse shall be subject to all applicable laws, rules, regulations and orders. When delling, revolving, production or other operations hereunder, or Lessee's fulfillment of its obligation; hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, service, material, water, electricity, fiel, access or easements, or by fire, flood, adverse weather

or operation of force majeure.

SEVERABILITY. This Lease is intended to be in conformity with all laws, rules, regulations and interpreted as such. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in fall force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the

COUNTERPARTS. This Leave may be executed in one or more counterparts, each of which will be desired to be an original copy of this Lease and all of which, when taken together, will be desired to constitute one and the same agreement.

REFERENCE ADDREDUM ATTACHED HERETO ANDMAGE A PART HEREOF.

IN WITNESS WHEREOF, Mesor bereanly sets hand and seal.	GW RENTALS, LLC				
Witness - 8 ~	(Soal)				
Witness	sy W. Gjensder ill, President (Seal)				
Witness	(Seel)				
Witness					
	(Seei)				
Document prepared by: Chesapeake Appalachia, L.L.C., P. O. Box 6070, Ci	arieston, West Virginia 25362-9970.				
CORFORATE ACKNOWLEDGMENT					
State of West Virginia					
COUNTY OF OHIO					
On this the 19 day of 1000 2008, before me, size u acknowledged himself to be the President of GW Reutals, LLC and that has foregoing instrument for the surposes therein contained by signing the corporation.	aderaigued guifectity, personally appeared Clary W. Glessror, ill who a such PCC, being authorized to do so, executed the name of the corporation by historic at a				
IN WITHERS WHUREOK, I hereunto set my hand and official sea	,				
My Commission Expired	11, 2009				
Signature/Notary Public: X	W. A. Shutt				
Name/Notary Public (print): KIT	nd 11. Elliott				
Recorder: Return to Chrespezko Appalachia, L.L.C., Land Dept., P. O. Bon (070, Charleston, WV 25362-0070				

PERMITTING A Page Pennell ne dear men

800H 790PAGE 213

ADDENDUM

Attached to and made a part of that certain Oil and Gas Lease dated Mov 1908, by and between GW Rentale, LLC, a West Virginia Corporation, whose address is PO Box 205 Valley Grove, WV 26060 as Lessors, and Chesapeake Appalachia, L.L.C., as Lessee, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2)Hold Harmless Clause

Lesses agrees it will protect and save and keep Lessor harmless and indemnified against and from any panalty or damage or charges imposed for any violation of any laws or ordinarces, whether occasioned by the neglect of Lesses or those holding under Lesses, and Lessee will at all times protect, indemnify and save end keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lesses or those holding under Lesses.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gar Clause

Annual Payment of 200 met X \$ sold in Llau of Free Gas Clause:

If, and only if, Lassor is sutitled to receive free gas, whether by visite of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest to the oil end gas underlying the same, or the suprese record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners baving the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being espable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said lessed premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lesser shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lesses from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the sysa or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Leasor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other screage and the well(s) has been drilled on another lesse, the Lessor hereunder

will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lesse to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause
It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting sesson. Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

PATRICIA A FAIRY 0410 Junio 02:20:05 PA Instrument No. 1900118
Testrument No. 1900118
Test Secured 1910/16/2008
Toquent Type 180/16
Toquent Type 1 Additional.

5/08 - WV

PAID-UP OIL & GAS LEASE

This Lease, made this 4 day of <u>August</u> 2008, by and between Lec J. Glessner, whose address is Box 128 Valley Grove, West Virginia 26060, hereinafter collectively called "Lessor", and CHESAPEAKE APPALACHEA, L.L.C., an Oklahoma limited liability company, P.O. Box WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor

And Lessee agret as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas including, but not limited to coal scam gas, coalbed methane gas, coalbed gas, methane gas, good gas, occluded methane/natural gas and all associated matural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, good area, mithe-onla area, coal seam, and all communicating zones, and their liquid gascous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land hertin lessed, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurement facilities, including das acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from arightering lands across the Lessehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the District of Trindelphile. In the County of Ohlo, in the State of West Virginia, and described as follows:

Property Tax Parcel Identification Number: T4/2

and is bounded formerly or currently as follows:

On the North by lands of Multiple Perceis of Land; On the East by lands of Multiple Perceis of Land; On the South by lands of GW Rentals, LLC;

On the West by lands of Sinclair,

to any such delay, posponement or interruption.

If there is any dispute consuming the extension of this Lease beyond the primary term by maken of any of the elementary specified herein, the payment to the Lease has been extended below shall be concluded without the Lease has been extended

EXTENSION OF PUBLICATION Lesses has the option to entend the primary-turn of this Louise for one Entitional turn of the capitation of the publications of this Louis, and entension to be under the same turns and conditions as contained in the micros this beautiful to be before the agricultur date of the primary term of the to the Lector's craffic an execunt equal to the fathel consideration gives for the energica horses. Encycloses sole discretion and may be invoked by Las

sole discretion and may be invoked by Lasse where no other alternative of the Lasse Torror detections it is Lasse Deposite the private years.

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Torror and Extension of Terror clauses) shall never be read as language of special limitation. This Lease shall be construed against terrollesion, for fivere, cascellation or expiration and in favor of giving effect to the continuation of this Lease where the observations are the first to the continuation of this Lease where the observations are the case in affect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any expital costs to drill or equip the well, or to drive the oil or gas to market, and (ii) the Lease shall be deemed to be conducting operations in search of oil or gas, or their constituent, if the Lease is engaged in geophysical and either applied back in the same or different formation or repair a well or equipment on the Leasehold or any lands protechabilitized therewith (such activities and) include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaper in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the assession or interruption of activities was beyond the control of Lease, including interruptions caused by the acts of third parties over whom Lease has no control or regulatory delays associated with any approval process required for conducting such activities).

any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lesse shall never be subject to a civil action or proceeding to enforce a claim of termination, expension or forfeiture due to may action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lesse, unless the Lessee has received written notice of Lessor's demand and thereafter fulls or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such action. If Lessee timely responds to Lessor's demand but in good faith disagrees with Lesser's needicentered series of the receipt of such as response shall be deemed to satisfy this provision, this Lesses shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendancy of the dispute, other than claims for payments that may be due under the terms of this Lesse.

PAYMENTS TO LESSOR. In addition to the beams point by Lesser, for the everyther lexes, Lease accounts in (43) Lessor, no nontribution to Lessor's necessaries as follows:

(A) DELAY RENTAL: To pay Lessor as Doday Rental, after the first year, at the rate of first College (E.C.O.) per not auto pay year payable in advance. The parties thereto agree that this is a Paid-Up Lesse with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term bareof.

(B) DOVALTY, To say I record as Doubles there all several absorbance and adherenced as marketing and a state of the parties.

(B) ROYALTY: To pay Lessor as Royalty, icss all taxes, assessments, and adjustments on production from the Lessehold, as follows: 1. Oil. To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leaschold.

2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-lighth of the net amount realized by Lessee, computed at the wellhead. As used in this lease, the term "not amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs insurred by Lessee between the wellhead and the point of sale. As used in this Lesse that the wellhead and the point of sale. As used in this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating





liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited in transportation between the walkhead and any production or treating the littles, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the smouth used by Lessee, and (f) sales charges, commissions and sees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (d) not and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellbead and the point of sale. Lessee may use others to provide such services; and if Lessee uses its own pipelines and or equipment, post-production costs shall include without limited on reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cest of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessee may be required to except a Division Order certifying Lessee's interest in production. Lessee may pay all stores and free fevide upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monites payable to Lessee hereunder. Lessee may without Royalty payment until such time as the total withheld exceeds fifty dollars (\$50,00).

(b) DELAY IN MARKETING: In the event that Lessee drills a well on the Lessehold or lands pooled/unitized therewith that Lessee decans to be capable of production, but does not market producible gas, oil, or their constituents, thereform and thore is no other basis for extending that Lesse. Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surreaders the Lesse) a Delay in Marketing payment equal in amount and frequency to the annual Delay Ren

Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gus, or their constituents, is interrupted and not marketed for a period of twelty (12) months, and fitters is no producing well on the Leasehold or lands pooled/midtzed therewith, Lease shall therefor, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Leases nurrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lease shall there it right to rework, stimulate, or deepen any wall on the Leasehold or to drill a new well on the Leasehold in further as production from the only producing well on the Leasehold in formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall ternain in full force and effect without payment of Royalty or Shut-ia Royalty.

(E) DAMAGES: Lease will remove unaccessary equipment and materials and reclaim all dissurbed lands at the completion of activities and Leasee agrees to repair any damaged improvements to the land and pay for the loass of growing copps or universible imples.

(F) MANNER OF PAYMENT: Leasee shall make or tender all payments due hereunder by check, payable to Lease, at Lease's last known address, and Leasee may withhold any payment is deemed complete upon mailing or dispatch. Physics the due date for any payment specified herein fulls on a holiday, Sacurday or Sanday, payment is deemed complete upon mailing or dispatch. Physics the due date for any payment specified herein fulls on a holiday, Sacurday or Sanday, payment is deemed complete upon mailing or dispatch. Physics the due date for any payment specified herein fulls on a holiday, Sacurday or Sanday, payment in deemed comp

in which these payments may be invoked. Any fallors on the part of the Loose to brody at effective properly mader payment can never result in an automatic termination, expiration, cancellation, or forthings of this Loose. Leaser recognizes and attendedges that oil and gas insee payments, in

(1) CHARACTERIZATION OF PAYMENT SE Promesses to the horses are contained and produced and provided programmed and any finites can be part of the Leones to Euroby or trincated properly under programmed and notes result to a sutomatic termination, emphasized, can care institute of this Leone. Leonar recognizes and attractive groups in such a part of the testing of the testing property in the promote terms, as see forth horsel, and any forming anyments paid to Leone constitute full consideration for the Leonehold. Leoner flatcher agrees that used payment terms and homes payments are final and that Leoner will not need to consideration for the Leonehold. Leoner flatcher agrees that used payment terms and homes payments are final and that Leoner will not need to consideration for the Leonehold Leoner flatcher agrees that used payment terms and homes payments are final and that Leoner will not need to monthly the leone payments, or sook existions consideration between the same without Leoner will not heart the consideration of the leone and the leoner and leoner and

privileges herein granted.

COUNTAINTS. This Leese and its expressed or implied covamants shall not be subject to termination, furfilture of rights, or damages due to faiture to comply with obligations if compliance is effectively prevented by fedoral, state, or local law, regulation, or decree, or the exts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this lease or any continuation threeof, Lesser receives any bona file offer, acceptable to Lesser, to grant an additional lease ("Top Lesse") covering all or part of the Lesserhold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lesse on equivalent terms and conditions. Any effer must be in writing and must set from the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lesse, and include a copy of the lesse form to be unliked reflecting all pertinent and relevant terms and conditions of the Top Lesse. Lessee shall have fifteen (15) days after society from Lesser of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lesse with Lessor on equivalent terms and

788 PAGE 711 BOOK

conditions. If Lasser fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall

conditions. If Lesson fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lesse granted by Lessor in violation of this provision shall be nell and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessor concerning this Lesse, performance thereunder, or damages caused by Lesses's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTRE CONTRACT. The entire agreement between Lessor and Lessee is embodied hereb. No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lesse us to all or any part of the Lesses all the resolution of the parties increaned.

SURRENDER, Lessee, at any time, and from time to time, may sumender and cancel this Lesse us to all or any part of the Lessehold by recording a Surrender of Lesse and thereupon this Lesse, and the rights and obligations of the parties increaned, shall terminate as to the part so surrendered provided, however, that upon each surrender at to any part of the Lessehold, Lessee shall have reasonable and convenient essements for them existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS, All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and essigns.

FORCE MARRIER. All express or implied covenants of this Lesse shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lesseo's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, w When drilling, reworking, production or other operations hereunder, or Lesseo's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fitel, access or essements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lesses shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lesses in failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of three maleute.

SEVERABILITY. This Lease is intended to be in conformity with all laws, rules, regulations and orders and interpreted as such. If any provision of this Lease is held invalid or unenforceable by any court of compelent jurisdiction, the office provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the

extent not held invalid or unenforceable.

COLNTERPARTS. This Lesse may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lesse and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WIPNESS WHEREOF, Lospor hereunto sees hand and end Lee J. Gressner Witnes (Seal) Document prepared by: Checapeako Appelachia, L.L.C., P. O. Box 6070, Charleston, West Virginia 25362-0010. ACIONOWLEDGMENT STATE OF WEST VIRGINIA COUNTY OF OHIO day of Ull Ollot 2008, before me, the undersigned authority, personally appeared Lee J. Glessner, who, being duly swom according to law, depose and say that they executed the foregoing instrument for the purposes therein contained. IN WITNESS WHEREOF, I hereunto set my hand and official soal My Commission Expires: Signature/Notary Public: Name/Notary Public (print): XXIII

Recorder: Return to Chesapeake Appalachia, L.I.C., Land Dopt., P. O. Box 6970, Charleston, WY 25362-0070

reference exhibit "A" attached hereto andmade a part hereof.

약(254) 36일 50분기회(8일) 50분기회(8일) 51분기 (892) Villey Service Tom violant: 24550 y Committees England Sinc 11, 2009

Salative recover of

BOOK 788 PAGE 712

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated August 4, 2008, by and between Lee J. Glessner, whose address is Box 128, Valley Grove, West Virginia 26060 as Lessors, and Chesapeake Appalachia, L.L.C., as Lesse, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2)Hold Harmless Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gas Clause

Annual Payment of 200 mcf X \$ sold in Lieu of Free Gas Clause;

If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, fimited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lassor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no colligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators famished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder will not be entitled to use wellhead gas, free or otherwise. The rights granted herein

BOOK 788 PAGE 713

related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an animale cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause

It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

PATRICIA A FANCY OHIO COUNTY 01:28:45 PA Instrument No 1787432 Date Recorded 10/17/2008 Document Type 016/L

Rocament Type OUG/L Buck-Page 988-709 Recording Fee \$5.00 Additional \$5.00



PAID-UP OIL & GAS LEASE

789 PAGE

ARMR. WV

2008, by and between Windmill Truckers Center, Inc., a West This Lease, made this Virginia Corporation, whose address is 2004 National Rosel Wheeling, West Virginia 26003, hereinafter collectively called "Lessor", and Chiefapeakk AppalaChia, L.L.C., an Oklahoma limited Hability company, P.O. Hox 6070, Charleston, WV 25362-6070, hereinafter called

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor

and Lessee agree as collews:

<u>LEASING CLAUSE</u>. Lessor hereby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, mothers gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, amitting from, or produced/originating within any ibrassian, gob area, mine-out area, coal seem, and all communicating zones, and their liquid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be useessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining leads, using methods and techniques which are not restricted to current technology, including the label of the control of the contr right to condust geophysical and other exploratory tests; to drill, maintain, operate, case to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtanent facilities, including data acquisition, compression and collection facilities for use in the production and interpolation of products from the Leasehold or from neighboring lands express the Leasehold; to use oil, gas, and non-demestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and removing the same therefrom; to protect stored gas; to operate, on the control of water forms and equipment.

DESCRIPTION. The Leasehold is located in the District of Triadelphia, in the County of Ohig, in the State of West Virginia, and

described as follows:

Property Tax Percel Identification Number: 19/36.7

and is bounded formerly or currently as follows:

On the North by lands of Windmill Truckers Corter, Inc.; On the Bast by lands of Multiple Parcels:

On the South by lands of Multiple Parcels

On the West by lands of Belog Oil Co. Inc.

count went by taken as <u>green for the by</u> virtue of deed dated <u>fagurary 7, 2000</u>, and recorded in <u>Deed</u> Book <u>712</u>, at Pege <u>655</u>, and described for the purposes of this agreement as containing a total of 16 Lesschold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lesso also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unresorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessoe for a more complete or containing the land.

Lessor has a preference right of acquisition. Lessor agrees to execute any applicamental instrument requested by Lessor for a more companie or accurate description of said land.

This Lesso shall remain in force for a primary term of Fire(2) years from 12.60 h.M. (Glossive date) to 11.59 P.M. (Lesson the Lesson of the primary term) and shall continue beyond the primary terms as to the entirety of the Lesson of it any of the following is satisfied. (I) operations are conducted on the Lesson of almost probabilitized therewith in search of oil, gas, or their constituents, or (i) a well deemed by Lesson to be capable of production is located on the Lesson of almost probabilitized therewith, or (ii) if the Lesson of the rends postedional therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lesson's operations are delayed, pastgoned or interrupted as a result of any cost, storage other nating or mining related specialism under my existing and effective lesso, permit or sutherization covering such operations on the lesson premises or on other lands affecting the lesson premises, such delay will automatically extend the primary or secondary term of this oil and gas lesso without additional consensation or performance by Lesson for a method of time soual to any such delay, postponement or interruption. period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by sesson of any of the alternative mechanisms specified berein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended

payons are primary term.

<u>EXTENSION OF PRIMARY TERM</u>—Lesses has the option of the primary term of this Lesse for an additional term of this (5)

years from the expination of the primary term of this Lesses cald extension to be under the cases these and conditions as completed in this Lesses may execute this primary term of this Lesses that the primary term of this Lesses have a tender to the Lesses the expiration that of the primary term of this Lesses have a tender to the Lesses are the lesses to the Lesses the expiration that the execution have the lesses to the lesses the expiration that the execution have the lesses that expiration the execution have the lesses the expiration that the execution have the lesses the expiration that the execution have the lesses the expiration that the execution have the lesses that expiration there execution have the solo discrotion and may be invoked by Lasses where one other alternative of the Lasse Form clause extends the Lasse beyond the primary term

NO AUTOMATIC TREMINATION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) chair never to read as language of special limitation. This Lease shall be construct against termination, for feture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the chroumstances exist to malatain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be decomed to be capable of production if it has the capacity to produce a profit ever operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lease shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lease is engaged in geophysical and other restrictions would be to produce that the limited to architect the children but not limited to architect to arking to drill a new well, to feel a county of control adverse, the children is the characteristic to deliver. The Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to covork, stimulate, deepen, electrical, has, plug back in the same or different formation or repair a well or equipment on the Lesschold or any lends pooled/unitized therewish (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewish early include reasonable gaps in activities provided that there is a constituent of activities showing a good faith effort to develop a well or that the cessation or instruption of activities was beyond the control of Lessee, including internations caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

[INTERTATION OF EXPLERATION OF EXPLERATION OF EXPLERATION OF EXPLERATION OF EXPLERATION OF EXPLERATION OF EXPLERATION.]

any approval process required for Conducting such advances.

(B) Limitation of ForeFirtiRis: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, explication or forefiture due to any action or insection by the Lesse, including, but not initied to enaking any prescribed payments authorized under the terms of this Lesse, unless the Lesse has received written notice of Lessor's depand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lesse thricky responds to Lessor's demand, but in good faith disagrees with Lessor's nesition and sets furth the rescons therefore, such a response shall be decembed to soldy the providere, this Lease shall continue in full force and effect and no further damages (or other claims for ratiof) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the exceedion hereof, Lessee covenants to pay Lessor,

proportionate to Lesuor's percentage of ownership, as follows:

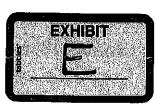
(A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five deliars (\$5,00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to

Lessor during the primary form hereof.

(B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leaschold, as follows:

1. OIL: To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leasehold.

2. CAS: To pay Lessor on actual volumes of ges sold from said land, one-lighth of the net amount realized by Lesser, computed at the wellhead. As used in this lease, the term "net amount realized by Lesser, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of all and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale. As used



789 PAGE 92 BOOK

in this Lesse, the term "post-production costs" shall mean all costs and expenses of (a) breating and processing oil and/or gas, and (b) separating liquid hydrocarbons from gas, other than condensate separated at the well, and (e) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount need by Lessee, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellhand and the point of sale. Lessee may use its own pipelines and equipment to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include willrout limitation reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Filor to payment of royalty, Lessor may be required to execute a Division Order certifying Lessor's interest, in production. Lessee may pay all taxes and fees levied upon the oil and gas as produced, including, without limitation, reverance taxes and privilege and surveillance fees, and deduct a proportionate share of the emount so paid from any montes payable to Lester hereunder. Lessee may withhold Royalty payment until such time as the total withined exceeds fifty dollars (\$30.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Lessehold or lands pooled/unitized therewith that Lessee drills as well on the capable of production, but does not market producible gas, oil, or their constituents, therefrom and there is no other basis for extending in this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating

(C) DELET IN MARKETHES. In the event has Lesses arins a well on the Lessesson of table protection and there is no other basis for extending this Lesses, Lesses shall pay after the primary term and until such time as marketing is established for Lesses summides the Lesses a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lesse shall remain in full force and effect to the same extent as payment of Royalty.

Managemy payments equat in amount one requestory to the amount Delay Renter payment, and this less season at the season of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) months, and there is no producting well on the Lesschold or lands pooled/unliked therewith, Lesses shall threeffers, as Royalty for constructive production, pay a Shat-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lesses surrenders the Lesso) and this Lease shall remain in full force and effect. During Shut-in, Lesses shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in the only producing particular, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(B) DAMACES: Lesses will remove unnecessary equipment and materials and renlain all disturbed lands at the completion of activities, and Lesses are repair any damaged improvements to the land and payment and renlain all disturbed lands at the completion of activities, and Lesses any annual and payment to the land and payments due hereunder by theek payable to Lessor, at Lessor's last known address, and Lesses may withhold any payment perioding notification by Lessor of a change in address. Payment may be tendered by mall or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispetic. Where the due date for any payment such december in this on a holiday, Saturday or Sanday, payment tendered (mailed or dispatched) on the next business day is timely.

(C) CHANGE IN LAND OWNERSHIP: Lesses chall not be bould by any change in the owner-lip of the Leasehold u

(H) TTLE: If Lessee receives evidence that Lesser does not have title to all or any part of the rights herein lessed, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lesser until the advance claim is fully resolved.

immediately withhold payments that would be offerwise does and payable necessary to be considered. Lesses that the control of the many control of the many control of the payable and proceed and payable necessary and process that the payable is the payable of the many future payments to Lessor or by any other lewel means.

(I) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner.

(I) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessoe to timely or otherwise properly sended payment can cave result in an automatic termination, expiration, cancellation, or furfeiture of this Lesso. Lessor recognizes and extrawidges that oil and gas less payments, in the items of cental, beans and rayably, can very depending on multiple factors and that this Lesso is the product of good fieth negotistions. Lessor hereby agrees that the payment terms, as set furth herein, and any beans payments paid to Lessor consister full consideration for the Lessohoid. Lessor further agrees that such payment terms and beans payments are fined and that Lessor will not seek to smead or modify the lessor payments, or seek additional consideration based upon of any differing terms which Lessor will negotists will any other lessorfell and gas owner.

(K) PAYMENT REDIGITIONS: If Lessor owns a lessor interest in the oil or gas than the cultic undivided the simple estate, then the rentals (except for Delay Rental payments as set forth above), royalites and shatein royalites hereunder shall be paid to Lessor only in the proposition which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOL INCL. Lessor soms Lesson the clott to need untilize or combine allowant of the Lesson hards.

renais (accept for Delay Result payments as set forth above), ryalizes and statistic revealed shall be peld to Lease only in the proposition which Lessor's interest bears to the whole and andivided fee.

INSTITATION AND POLING, Lessor grants Lessoe the right to pool, untilize, or combine all or pasts of the Leasehold with other lands, whether contiguous or not configuous, leased or unlessed, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more figurances shall not exhaust Lessee's pooling and unitzing rights herounder, and Lessee's granted the right to charge the size, shape, and conditions of operation or payment of lessee's pooling and unitzing rights herounder, and Lessee's granted the right to charge the size, shape, and conditions of operation or payment of lessor's graces to except and receive out of the production or the revenue realized from the production of such unit, such proportional state of the Royalty from each unit well as the number of Lessehold acres included in the unit bears to be total number of acres in the unit. Otherwise, as to say part of the unit, drilling, operations in preparation for drilling, production, or shell-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental stiributable to any part of the unit (including non-Lessehold land) shall have the same affort upon the terms of this Lesse as if a well were located on, or the subject activity stiributable to, the Lessehold. In the event of conflict or inconsistency between the Lessehold sores santbod to the Lesse and the long property as assessment calculation of the lands covered by the Lesse, Lessee may, at its option, may out the latest as being determinative for the purposes of this paragraph.

FACH ITHES, Lessee shall not drill a well within 200 feet of any structure located on the Lessohold without Lessor's wri

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfaiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at my time within the primary term of this lease or my continuation thereof, Lesser receives any bona fide offer, acceptable to Lessen, to grant an additional lease ("Top Lease") covering all or part of the Lessehold, Lessee shall have the continuing option by meeting any such offer to sequire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fiften (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and

conditions. If Lessee falls to notify Lesser within the aforesaid fifteen (15) day period of its election to meet any such bone fide offer. Any Top Lesse granted by Lesser in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lesser and Lessee concerning this Lesse, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in axordance with the nules of the American Arbitration. All fores and costs associated with the arbitration shall be borne equally by Lesser and Lessee.

ENTRIE CONTRACT. The entire agreement between Lesser and Lesser is embodied heals. No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification for fits Lesse.

SURRENDER, Lessee, at any time, and from time to time, may sumender and cancel this Lesses as hill or any part of the Leasehold by recording a Surrender of Lesse and increasion file Lesse, and the rights and obligations of the parties hearnder, shall terminate as to the part as surrendered; provided, however, that upon such presender as on any part of the Leasehold to the parties hearnder, shall terminate as to the part as surrendered; provided, however, that upon such parties of any part of the Lessehold to the parties hearnder, shall terminate as to the part as surrendered; provided, however, that upon such presender are upon part of the Lessehold to the Lessehold to the parties hearnder, shall terminate as to the part as surrendered; provided, however, that upon such parties of any part of the Lessehold to the Lessehold to the parties hearnder, shall terminate as to the part as surrendered.

SUCCESSORS. All rights, duties, and liabilities berein bonofit and bind Lesser and Lesser and their heirs, successors, and assigns.

FORCE MARREDER. All express or implied covenants of this Lesse shall be partied to all applicable laws, nries, regulations are orders, and as allaments of the le

of this lease for minure to comply therefore, a complement is provided by a state of the provision of firms majoure.

SEVERABLITY. This lease is intended to comply with all applicable laws, rules, regulations, edinances and governmental orders. If any provision of this lease is held by a count of computent jurisdiction to be lavaild, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this lease invalid, void, or unemforceable under applicable law, the court that give the provision the greatest effect possible under the law and modify the provision so as to comform to applicable law if the can be done in a manner which does not account include the purpose of this lease.

COLONGREDATIS. This lease may be executed in one or more counterparts, exit of which will be deemed to be an original copy of this lease and all of which when taken towarden. Will be deemed to mostifute one and the same agreement.

Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

REFERENCE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS WHEREOP, Lessor hereunto sets hand and seal,	
Winess July Balosshall	(Seal)
Witness 3 asy W. Glossifer	(Seal)
37 Junias	(Seci)
Witness	(Seal)
Document prepared by: Chesapeake Appalechie, L.L.C., P. O. Box 6070, Charleston, West Virginia 25352-0070.	
Acknowledgment	
STATE OF	
OOUNTY OF	
in this timeday of, 2008, before me, the undersigned ambority, personally appeared	who,
My Commission Expires:	
Signature/Notary Public:	
Name/Netary Public (print):	
CORPORATE ACKNOWLEDGMENT	
TATBOP LUGAT VILGINIA	
COUNTY OF Olgo	
on this the 2 day of Policy . 3008, before me, the undersigned authority, possently appeared Gary violative deposits to be the Acting President and Vice President of Windardl Truckors Center, Inc. and that he as such Acting President being authorized to do so, executed the fungoing instrument for the purposes therein contained by signing americation by himself as Windrell Truckers Center, fine a West Virginia corporation.	ing President and the name of the
Official S IN WITNESS WHEREOP, I hereunto set my hand and official seat. Notary Public, State o Ketth I. Bele	f West Virginia
My Commission Supires: 136, 13, 16, 18 Signature/Notary Public: 14, 10, 18, 18, 18, 18, 18, 18, 18, 18, 18, 18	treet 25195

Recorder: Return to Chesaponke Appalachia, L.L.C., Land Dept., P. O. Box 5070, Charleston, WV 25362-0070

BOOK 789 PAGE 94

Addendum

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Hold Harmless Clause

Lessee agrees it will protect and save and keep Lessor harraless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Recignation Clause

Lesses shall construct or install all well sites, access roads and speline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gas Clause

Annual Parment of 200 mcf X S sold in Lieu of Free Gas Clause:

if, and only if, I casor is entitled to receive free gas, whether by vidue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said lessed premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gee in excess of the quentity provided for herein, lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder

BOOK 789 PAGE 9

will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lesses shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lesses shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lesses during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lesses's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause
It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

Gary W. Glessop, Acting President and Vice President

PATRICIA & FAICY ONIO Countr 93:50:51 PM Instrument No 1789442 Date Recorded 10:724/2008 Book-Page 789-91 Recording Fee 85.00 Additional 66.00

790 PAGE: 202

PAID-UP

5/88 - WV

OIL & GAS LEASE

This Lease, made this solar of America 2008, by and between Windualli Truckers Center, inc., a West Virginia Corporation, whose address is 2084 National Road, Wheeling, West Virginia 26003, hereinsfier collectively called "Lesser", and CHESAPEAKE APPALACHIA.

L.L.C., an Oklahoma limited liability company, P.O. Box 6070, Cherlesson, WV 25362-0070, hereinsfier called "Lescer".

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinsfier set forth, the Lessor

and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby losses exclusively to Lessee all the oil and gas including, but not limited to coal scam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within amy formation, gob area, mine-out area, coal seam, and all communicating zones, and their liquid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein lessed, together with such avolution right as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Lessehold, and from adjoining lands, using methods and techniques which are not restricted to current techniques, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use on the last production from the Lessehold or from adjoining lands across the Lessehold, to use or the production and transportation from the technides from adjoining lands across the Lessehold, to use of the source thereof, including the to use oil, gas, and non-domestic water sources, free of cost, to stone gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the District of Triadelphia, in the County of Ohio, in the State of West Virginia, and

Property Tax Percel Identification Number: T9/4

and is bounded formerly or currently as follows:

On the North by lands of Sinclair, On the East by lands of Olegana;

On the South by lands of Multiple Percels of Land;

On the West by lands of Kidsem;

including lends sequired from Suder, Inc. by virtue of deed dated January 7, 2080, and recorded in Deed Book 717, at Page 655, and described for the purposes of this agreement as containing a total of 140 Leasehold agree, whether actually more or less, and including configuous lends owned by Lesson. This Lease also covers and includes, in addition to that above described, all land, if any, configuous or adjacent to a adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

Excurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of Five 15) years from 12:00 AM. AND 19 DESCRIPTION does not a more complete or LEASE TERM. This Lease shall remain in force for a primary term of Five 15) years from 12:00 AM. AND 19 DESCRIPTION does not not be sufficiently of the Leasehold if any of the following is satisfied: (1) operations are conducted on the Leasehold or lands pooled/unitized therewith is search of cit, gas, or their constituents, or (1) a radii distinct by Lease to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (10) if the Leasehold or lands pooled/unitized therewith, or (10) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of storage so the freed gas, or (1) if prescribed payments are made, or (10) if Leasehold or lands payments are made, or (10) if Leasehold or lands affecting the descriptions are delayed, postponed or interrupted as a result of any coal, atone or other mining or mining related operation under any cathing and effective leave, permit or authorization covering each operations on the treased presented presented operation under any such delay will automatically extend the primary or secondary term of this oil and gas leave without additional compensation or performance by Lease for a period of time equal to any such delay, portponentent or interruption.

If there is any dispute consorting the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lease of the presented payments provided below shall be conclusive avidence that the Lease has been extended because of the primary term.

specified herein, the payment to the Lesser of the prescribed payments provided below shall be conclusive without that the Lesse has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lesses has the option to extend the primary term of this Lesse for one artificional term of fire (5) years from the expiration of the primary term of this Lesses and extended the primary term of this Lesses of the primary term of this Lesses that primary term of the primary term of this Lesses that primary term of the primary term of the primary term of this Lesses that the primary term of the Lesses that primary term of the Lesses that primary term of the primary term of the Lesses of the primary term of the primary term of the primary term.

NO AUTOMATIC TERMINATION OR FORESTURE.

(A) CONSTRUCTION OF LEASE: The language of this Lesse (including, but not limited to, the Lesse Term and Extrasion of Term clauses) shall never be read as tanguage of specific limitation. This Lesses that be constructed against extended to the capible of production of the Lesses that the primary term of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be conducting that the capacity to produce a profit ever operating costs, without regard to any capital costs to thill or equip the well, or to delive the old or gas to market, and (ii) the Lesses shall be deemed to be conducting operations in exerch of oil or gas, or their constituents, if the Lesses is sugged in geophysical and other exploratory were functionly, but not limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include trasociate gaps in activities was beyond the control of Lesses, including interruptions caused by the acts of third parties over whom Lesses has no control or regulatory delays associated with any approval process required for conducting such

PACING AND ACCOUNTS AND ACCOUNT

Lessor during the primary term hereof.

(B) ROYALTY: To pay Lessor as Royally, less all taxes, assessments, and adjustments on production from the Lessohold, as follows:

1. OIL: To deliver to the credit of Lessor, free of cost, a Royally of the equal one-eighth (1/8) part of all oil and any constitu

thereof produced and marketed from the Leasehold.

2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the act amount resized by Lessoe, computed at the wellhead shall mean the gross proceeds received by Lessoe from the sale of oil and gas minus post-production costs incurred by Lessoe between the wellhead and the point of sale As used in this Lesso, the term "net amount realized by Lessoe between the wellhead and the point of sale As used in this Lesso, the term "post-production costs incurred by Lessoe between the wellhead and the point of sale As used in this Lesso, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating

liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting and the condensate separated at the well, and (c) transporting and the condensate separated at the well, and (c) transporting and the condensate and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) measuring of and/or gas to determine the amount sold and/or the amount used by Lessee, and (f) sales charges, commissions and free paid to third parties (whether or not affiliated) in controllon with the sale of the gas, and (g) any and all other cours and expenses of early kind or nature inquired in regard to the gas, or the handling thereof, between the wellhost and the point of sale. Lessee may use its own pipelines and explaines to provide such services; and if Lessee uses its own pipelines and/or equipment, compression and metering services, or it may engage reasonable depreciations and amornization expenses relating to each decilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor may be required to execute a Division Crede certifing Lessor's interest in production. Lessee may pay all texts and five all evided upon the oil and gas as groduced, including, without limitation, severance tures and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any montes payable to Lessor hereunder. Lessee may withhold Royalty payment until such time as the total withhold exceeds fifty dollars (SSO.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Lessedold or lands pooled/unitized therewith that Lessee deems to be explained of production, but does not market production gas, oil, or their constituents, thereform not there is no other basis for extending that Lessee suppose of Royalty.

(B) SHUT-IN, in the event that production at oil are as marketing is catable for the sale

ient as payment of Royalty.

parametering payment equal to impoure and requestry to the annual netay statist payment, and this Lease shall femain in full force and effect to the same extent at payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) manchs, and there is no producting well on the Leasehold or lands pooled/antitized therewith, Leases shall thereafter, as Royalty for community production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or despen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than review (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Leases will remove immedestary equipment and materials and reclaim all chartered leads at the completion of activities, and Lease to repair any damaged improvements to the land and pay for the leas of growing crops or marketable dimber.

(F) MANNER OF PAYMENT: Leases that make or cander all payments due horsender by check, payable to Lease, at Leason's last income address, and Lease may withhold any payment production by Leasen of a change in of tree. Payment may be tracted by until or any compensable method (e.g., Federal Express), and payment is deemed complete upon malling or dispatch. When the due date for any payment payment such documentation as Lease may reasonably require. Pending the receipt of documentation, Leases may state either to continue to make or withhold payments as if such a change had not socured.

(II) TILE: It Leases energing evidence that Leaser does not have title to all or any part of the rights herein leased, Leases, and Lease of the such as the c

withing payments as it such a causing that not occurred.

(ii) Title: If Leaves receives evidence that Leaver does not have title to all or any part of the rights herein leaved, Leaves may immediately withhold payments that would be atherwise due and payable heretunder to Leaver until the adverse chain is fully received.

(i) LIENS: Leaves may, at its option, pay and discharge any past due taxes, mortgages, judgments, or other liens and excumbrances on or against any, lead or interest included in the Leavehold; and Leaves that the central to receiver from the debut, with legal interest and costs, by deduction from any future payments to Leaves or by any other leavel means.

(i) CHARACTERIZATION OF PAYMENTS: Payments are forced in the convenants, not special limitations, repetitives of the receiver in which these normants were he invaled. As we know the out-offs to be invaled to a these the convenants are to be invaled. As we know the out-offs to be a strength or a thought to be a second of the convenants.

(i) CHARACTERIZATION OF PAYMENTS: Payments ast forth herein are covenants, not special limitations, respective of the memory in which these payments may be invoked. As filter on the past of the leaster to timely or otherwise properly tander payment can never result in an automatic termination, emphation, can can obtain of this Lease. Leaser recognizes and selenceders that oil sed gas lease payments, is the form of reads, beauty and royalty, can vary depending on multiple instors and that this term is the product of good fifth negotiations. Leaser hearily agrees that the payment terms as set forth herein, and any bonus payments paid to Leaser constitute full consideration for the Leaser forting agrees that the payment terms and bonus generals were first east of that it server will not accept the server of the payment terms and bonus generals were first east or will negotiate with any other leaserfoid and gas owner.

(K) PAYMENT REDUCTIONS: If Leaser owns a leaser interest in the off or gas then the online and additional consideration payments are forth above), republies and show in republic heretander shall be paid to Leaser only in the proportion which Leaser's interest beauty to the whole and undivided first.

LESETZATION AND PROLING. Leaser status Leases the right to not, undivided.

result (extern the Pelay Rensal payments as an exterin above), repaints and should revailed introduct and be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fire.

INSTITATION AND PGELING. Lessor grants Lessor the right to pool, unitize, or combine all or parts of the Lessotid with other lands, whether considered an extended the production unite either by context right or pursuant to governmental authorization. Pooling or unitizing in one or more invances shall not orbater Lessor's pooling and unitizing rights mercander, and Lessor's grants the right to slungs the size, should condition of operation or payment of any unit created. Lessor agrees to accept and receive out of the production are the return realized from the production of such unit, the proportional share of the Ruysity from each unit well as the number of Lesschold cross included in the unit bears to the national of such unit. Otherwise ex our pent of the unit, duffilling, operations in preparation for chilling, production, or shart in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Result stributable to any pent of the unit (nethoding non-Lesschold hand) shall have the same effect upon the terms of this Lesso as if a well were located on, or the subject activity attributable to, the Lesschold. In the event of conflict or inscreasing the lesson shall not chill a well within 200 feet of any structure located on the Lesschold without Lessor's written consent.

EACLITIES, Lessor shall not chill a well within 200 feet of any structure located on the Lesschold without Lessor's written consent.

Lessor shall not not only token, modify, degrade, or restrict roads and facilities built by those on the payment of structure, modify, degrade, or restrict roads and facilities built by those one whole Lessor's written consent.

CONVERSION TO STORAGE. Lessor is hereby granted the right to convert the Lesschold without lessor's written on the anament could to make

this Lease beyond the primary term as to all rights granted by this Lease, including but not termine to production and storage rights are counted together or separately.

TITLE AND INTERESTS. Least hereby warnest generally and agrees to defend this to the Leasehold and coverants that Louen shall have quiet enjoyment hereads and shall have benefit of the Jostical of after adopted this. Should say person having this to the Leasehold fall to

have quiet enjoyment recounser and stan save better to return or enter scapital one. Should say person having this to me Leasended fast to execute the Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Leage.

LEASE DEVELOPMENT. There is no implied coverant to delil, pervent change, twitter develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, explaints or cancellation for failure to remain said implied coverants. Provisions berein, including, but not limited to the prescribed payments, constitute full compensation for the

COVERANTS. This Lease and its expressed or implied covenants shall not be subject to temisation, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the arts of God and/or third parties over whom Lessee has no control.

and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this tesse or any continuation throof, Lessor receives any bona fide offer, scomptable to Lessor, to grant an additional lease ("Top Lesse") covering all or part of the Lessefuld, Lessee shall have the continuing option by meeting any such offer to sequing a Top Lesse on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lesse, and include a copy of the lease form to be utilized reflecting all pertinent and relevant perms and conditions of the Top Lesse. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to solvice Lesses in writing of its election to enter into an oil and gas lesse with Lessor on equivalent terms and

900% 790 PAGE 205

ADDENDUM

Attached to and made a part of that certain Oil and Gas Lease dated 101 19, 2008 by and between Windmill Truckets, Inc., a West Virginia Corporation, whose address is 2084 National Road, Wheeling, West Virginia 26003 as Lessors, and Chesapeake Appalachia, L.L.C., as Leasee, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's auriace operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Rold Harmless Clause

Lessee agrees it will protect and save and keep Lessor barmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Losses or those holding under Lesses, and Lessee will at all times protect, indemnify and save and keep harmiess the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Leases or those holding under Leases.

(3)Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil crosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

If, and only if, Lessor is entitled to receive free gas, whether by virue of the ownership of

(4) Free Gas Clause Annual Payment of 209 mof X & sold in Lieu of Free Gas Clause:

the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and ges undarlying the serve, or the express record title right to receive free gas, than upon approval of Lesson's written request for free gas, and after Leasor has obtained 100% written connent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all

overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder

BOOK 790 PAGE : 206

will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5)Hunting Clause

It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

Gary W. Cleands III, Vice President of Windmill Trucking, Inc

PATRICIA & FMEY
ONIO COUNTY 02:13:26 PM
Instrument No 1800116
Date Recorded 12/15/2008
Book-Pase 790-202
Recording Fee \$5.00
Additional \$6.00

100k 673 MGE 538

PAID-UP

OIL & GAS LEASE

Lease No. 264 256

This Lease, made this _______ day of ________ 2028, by and between Norma Tobaugh, wife, Dawnisa Tubaugh, daughter, Clarence W. Tubaugh, son, and Gary W. Glessier, grandson, whose address is 2084 National Road, Wheeling, WV 26003, hereinafter collectively called "Lessor", and CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, P.O. Box 6970, Charleston, WV 23562-0070, heroinafter called "Lessee".

WV 77778788ET1 the second control of the control of t

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lesson

and Lessee agree as follows:

LESSING CLAUSE. Lesser haveby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, nocluded methane/hantial gas and all associated natural gas and other hydrocarbons and non-bydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mine-out area, coal seam, and all communicating zones, and their flouid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Lessehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the injet to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abtadon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appartenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold for insemble of many and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefore; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the District of Sand Hill, in the County of Masshall, in the State of West Virginia, and

Property Tax Parcel Identification Number: 12-2/5

and is bounded formerly or currently as follows:

Co the North Ly lands of <u>Retly I. Beind;</u> On the East by lands of <u>Daniel William MoFarlank;</u> On the South by lands of <u>Carl W. Goddard II</u>;

On the West by lands of Richard S. Reinske;

Including lands acquired from Albert H. Schaper by virtue of doed dated April 30, 1966, and recorded in <u>Deel</u> Book 183, at Page 511, and described for the purposes of this agreement as containing a total of 215 Lessahold autre, whether actualty more or last, and including configuous lands owned by Lessor. This Lessa also covers and includes, in addition to that above described, all land, if any, configuous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or

accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of Five (5) years from 12:00 A.M. 7-1-68 (effective date) to 11:39 P.M. 7-1-68 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is senialled: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Leases to be expected production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands production of stored case of (ii) if prescribed provents are made, or (iii) if Leasehold or lands production of stored case of (iv) if the Leasehold or lands production of stored case of (iv) if the Leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production of stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) if the leasehold or lands production is stored case of (iv) iv). gas, or many consuments, are produced from an excession or make posteronal tasks produced as a configuration of the underground storage of gas, or for the protection of stored gas, or (s) if prescribed payments are made, or (s) if Lesser's operations are delayed, positioned or interrupted as a result of any coal, stone or other mining or maining mixed operation under any existing and officedive lesse, permit or authorization covering such operations on the lessed premises or on other leads affecting the teased premises, such delay will automatically extend the primary or secondary term of this oil and gas leads without additional components or performance by Lesses for a

period of these equal to any such deby, perspensent or interruption.

If there is any dispute concerning the extension of this Leave beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lessor has been extended

beyond the primary term.

EXTENSION OF PRIMARY TRUE. Leave has the aption to be under the same time and conditions and of five (\$)

vero from the application of the primary term of this Leave fall extension to be under the same terms and conditions as conclused in this Leave terms and conditions as conclused in this Leave terms are consistent in this Leave terms and conditions as consistent in this Leave terms are under the terms and conditions as consistent from the primary terms this Leave, Leaves payed to the consistent of the primary terms of the Leaves of this option is at Leaves the Leaves to the Leaves of this option is at Leaves. sole discretion and may be invoked by Lease where no other alternative of the Lease Term clause extends this Lease beyond the primary term

sole discretion and may be invoked by Lesses where no other attendative of the Lesse Term of the Lesse tested this Lesse beyond the primary term.

NO AUTOMATIC TERMANATION OR FORFRIURE.

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capability to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the same that the aboundating corrections in each of the control of the lease is capable of production and these controls are controls. profition a profit over operating costs, without regard to any capital costs to drill or equip the west, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in scarch of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, free, plug back in the same or different formation or repair a well or equipment on the Lessehold or any lends protectional thermal technical analysis to shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate analysis to provide that there is a conditionar of activities showing a good faith effort to develop a well or that the creation or intermption of activities was beyond the control of Lessee, including intermptions caused by the acts of third parties over whom Lesses has no centrol or regulatory delays associated with

control of Lessee, including Interruptions caused by the acts of faint parties over whom Lessee has no centrol or regulatory neighborship and approval process required for conducting such activities).

(B) LIMITATION OF FORPEITURE: This Lesse shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expication or forfailure due to any action or insation by the Lessee, to action to making any prescribed payments substrained under the tender the terms of this Lessee, unless the Lessee has received written action of Lesses's demand at the action tills or reflacts in satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but its good fifth disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lesse shall continue it in this force and effect and no further damances (or other claims for rolled) will ensure it Lessor's fewer during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lesse.

PAYMENTS TO LESSOR. In addition to the boats paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, magnetizates to Lessor's processee of extraction as follows:

proportionate to Lessor's percentage of ownership, as follows:

(A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net eare per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to

Lessor during the primary term horeof.

(B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Lessohold, as follows:

1. OH: To deliver to the credit of Lessor, theo of cost, a Royalty of the equal one-eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leasehold.

2. GAS: To pay Lessor on actual volumes of gas sold from said tand, one-righth of the net amount realized by Lessoe, computed at the wellhead. As used in this lesso, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds scrived by Lessoc from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale. As used



In this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sele, and (d) compressing gas for transportation between the wellhead and any production or treating facilities, and transportation to be point of saie, and (3) compressing gas for transportation and delivery purposes, and (c) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee, and (f) sales charges, commissions and fixes paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellhead and the point of sale. Lessee may use its own pipelines and equipment to provide such treating, processing, separating, transportation, compression and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include without limitation reasonable depreciation and amountization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its interest in the contraction of the certifying Lessor's interest. reasonable depreciation and amortization expenses reasing to such mentures, together with Lessee so st or capital and a reasonable return of its investment in such facilities. Fefor to payment of royalty, Lessor may be required to execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fites levied upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fees, and definit a propordiomate share of the amount so paid from any monics payable to Lessor hereunder. Lessee may withhold Royalty payment until such time as the total widtheld exceeds fifty dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Lessehold or lands production, but does not market productible has call or their constituents, therefore and there is no other beside for any account.

deems to be capable of production, but does not market producible gas, oil, or their constituents, therefrom and there is no other basis for extending this Lease, Lesses shall pay after the primary term and until such time as marketing is established (or Leases surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the

same extent as payment of Royalty.

constituents, is interrupted and not marketed for a period of twelve (12)

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12)

months, and there is no producing well on the Leasehold or lands production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Leasee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Leasee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without gayment of Royalty or Shut-in Royalty.

[21] DAMACHER: Lease will remove underesses analysis of materials and materials and realists and each the convolution of authillance.

a period of less than twelve (12) months, this Lesse shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Lessee will remove innecessary equipment and materials and reclaim all disturbed lends at the completion of settivities, and Lessee sprees to reper any damaged improvements to the land and pay for the loss of growing copes or marketable timber.

(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last innown address, and Lessee may withheld say payment pending notification by I esser of a change in indexes. Payment may be tendered by mall or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a folicley, Faturday or Sunday, payment tendered (melled or dispatched) on the next business day is timely.

(G) CHANGE IN LAIND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such a change had not occurred.

(H) TITLE It Lessee may reasonably require. Pending the receipt of documentation, Lessee may steet either to continue to make or withheld payments as if such a change had not occurred.

(H) TITLE It Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) LIENS, Lessee may, at its option, pay and discharge any part due taxes, morrangess, Judgments, or other liens and encumbrances on or against any land or interest included in the Lessohold; and Lessee shall be emitted to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means.

deduction from any future payments in Lessor or by any other lawful means.

(I) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner

deduction from any future payments to Lessor or by any other lawful means.

(f) CHARACTERIZATION OF PAYMENTS: Payments are forth herein are coverants, not special limitations, regardless of the manner in which these payments my be invoked. Any faiture on tite per of the Lessor to timely or otherwise properly fender payment can erver vesult in an automatic termination, expiration, cancellation, or forfeiture of thin Lesso. Lessor recognizes and admonisted that oil and gas lesse payments, in the form of cental, boars and revelly, can vary depending on multiple factors and that this Lesse is the product of good falth negotiations. Lessor thereby agrees that the payment terms as set forth herein, and any house payments paid to Lessor outsities fall consideration for the Lessors that the payment terms and bened payments are final and that Lessor will not set to remaid or modify the lessor forther agrees that the payment terms and bened payments are final and that Lessor will not set to remaid or modify the lessor payments, or seek additional consideration based upon of any differing terms which Lessor will not set to remaid or modify the lessor forther payments are set forth the payments are set in the control of the situation of the disple estate, then the rentals (except for Delay Rental payments as set forth above), royaldes and single in the payment of the Lessor only in the proportion which Lessor's interest bears to the whole sont undivided fee.

UNITIZATION AND POLINES* Lessor greats Lessor should be a single payment of the lessor of the lesson of the payment of payment of poventure and authorization. Polings or unities either by contract right or pursuant to governmental authorization. Polings or unities of the restore a stance and the second of the production of the restored the second and properties and any part of the unit, drilling, operations in preparation for drilling, production from the production of such unit, such propertional share of the Royalty from each unit with a tension in preparation f

on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production. Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith islane used for gas storage or for as an entering space of Denry Center for an one descented as his Leasenged or tents pronounced mercents there were for for protection of gas storage, such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary delter. The use of any part of the Leasehold or lands pooled or unitized therewish for the underground storage of gas, or for the protection of mored gas will extend this Lease beyond the printery term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

production and storage rights are owned together or separately.

TITLE AND INTERESTS. Leasor hereby warrants generally and agrees to defend title to the Leasechold and covenants that Lessee shall reave quiet enjoyment hereunder and shall have benefit of the decirine of after acquired title. Should my person having title to the Leasechold fall to execute this Lease; the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, provent drainage, further develop or market production within the pairment term of any extension of term of this Lease. There that he are benefited for feiture, termination, expiration or charteritation for faiture to comply with said implied covenents. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the

privileges herein granted COVENANTS. This Lease and its expressed or implied covenants shall not be subject to tentination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local isw, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

enterer turn genera over whom tessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this lease or any continuation thereof, Lesser receives any bona fide offer, acceptable to Lesser, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lesser shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, homes consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease farm to be utilized reflecting all perfinent and relevant terms and conditions of the Top Lesse. Lesses shall have fiften (15) days after receipt from Lesser of a complete copy of any such offer to advise Lesser in writing of its election to enter into an oil and gas lesse with Lesser on equivalent terms and

30% 673 REE 540

conditions. If Lessee fails to notify Lesser within the aforesaid fifteen (15) day period of its election to noted any such bone fide offer, Lesser shall

conditions. If Lessee fails to notify Lesser within the aforesaid fifteen (15) day period of its election to meet any such bone fide offer, Lessor shall have the right to accept said offer. Any Top Lesse granted by Lesser in violation of this provision shall be sail and valid.

ARBITRATION. In the event of a disagreement between Lesser and Lessee concerning this Lesse, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lesser and Lessee.

ENTIRE CONTRACT. The entire agreement between Lesser and Lessee is ambodied herein. No oral warranties, representations, or promises have been made or relied upon by either party as an induspment to or modification of this Lesse, as to ail or any part of the Lessebold by recording a Surrender of Lesse and thereupon this Lesse, and the rights and obligations of the parties fermander, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Lessebold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lites, readways and other facilities on the lands surrendered.

EUCCESSORS. All rights, duties, and liabilities berein benefit and bind Lessee and their beirs, nuccessors, and assignts.

FORCE MAJEURE. All express or implied covernants of this Lesse shall be subject to all applicable lever, rales, regulations and orders.

When drilling, reworking, production or other operations increased or Lessee's fulfillment of its obligation hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain a satisfactory market for production or failure of purchasers or surriers to take or transport such production, or by any other cause and reasonably within Lessee's outlot, this Lesse shall not terminate, in whole or in part, b or operation of force majoure.

or operation of force majour.

SHYBRABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unembrocable, the runaizing provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unembrocable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law; the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law; if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARES. This Lease may be executed in one of more counterparts, seath of of which will be desired to the an original copy of this Lease and all of which when the remaining the counterparts, are an extensed.

Lesse and all of which, when taken together, will be deemed to constitute one and the same agreement.

REFERENCE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

Py MILNESS AREADY	OP, Lessor hereunto sets hand and sea	4 2/2 .	1	A
rimess X Black Sal C	utt	1 Ormo	Lillaus	(Seel)
Viness \	(II)	Norma Tubaugh	with Besty	(Seal)
	× 10	Marries Transport	11/2 Tecles 1	(Seal)
Vitness 1		Clarence W. Tuberich.		(otal)
Vitness				(8 <i>c</i> al)
O	•	Usy W. Siesser		
locument prepared by: Chestper	ks Appalachia, L.L.C., P. O. Box 607	0, Charleston, West Virgin	is 25362-0070.	,
	ACKINO'	WIXDGMINT		•
tate of west virginia				
INTER TO WEST ARGUMENT) \$8;			
COUNTY OF MARSHALL			•	
wheren decourse. Clarence V	Thebaugh, son, and Gary W. Gies. Iment for the purposes therein contain	sner, grapauson, who, urid	sonally appeared Norma Tub g duly swom accoming to lay	augh, wife, Dawain v, dopose and say that
IN WITNESS WHERE	OF, I hereunto set my hand and offici	ai seri.		enandilonara
	My Commission Expires:	8/10/14	Hotasy Public.	State of Africa Aliabata
	Signature/Natury Public:	16-35-	Olesza	in Wilden
	Nume/Notary Public (print):	THE FOREIR	- Z	8 WV 14001
	CORPORATE A	CKNOWLEDGMENT	<u> </u>	Artico de la companya del companya de la companya del companya de la companya del companya de la companya de la companya de la companya del companya de la companya del companya de la companya de la companya del companya de la companya de la companya de la companya del comp
STATE OF				
) \$5;			
COUNTY OF	,			
On this the day of		undersigned authority, pe	reanally appeared , and that he as such	
who acknowledged himself to be being authorized to do so, execu-	of the foregoing instrument for the properties	urposes therein contained i	y signing the name of the com	poration by himself a
in witness where	OF, I hercunto set my hand and offici	(a) seal.		
	My Commission Expires:			
	Signature/Notary Public:			
	Name/Notary Public (print):		-	

Recorder: Return to Chesapeake Appalachie, L.L.C., Land Dept., F. O. Box 6070, Charleston, WV 25362-0070

MR 673 AL 541

ADDENDUM

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1) Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Hold Harmiess Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep barmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatevever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil croston. Further, any related surface reclamation shall be done in a manner which restores said lead as nearly to original contours as reasonably practical.

(4) Free Gus Clause

Annual Payment of 200 mcf X S sold in Lieu of Free Gas Clause:

If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownsrahip of the surface of the leased premises and either all the old and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lesson's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the based premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwalling owned at all times by Lessor and located within a one thousand (1,000") foot radius from said well on the leased premises; aubject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with accuring and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lesses from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail take for the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder

800% 673 MGI 542

will not be entitled to use wellhead gas, free or otherwise. The rights granted hersin related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause
It is understood and agreed that the Lessee will not commence drilling operations 30 days
prior to deer hunting season (a 2 week period beginning the first Monday following
Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to
hunting season, Lessee will be parmitted to continue operations.

(6) Agency Clause or Payment Directive
All monies coming due and payable under the terms of this lease shall be made payable
to Norma Tubaugh, 2084 National Road, Wheeling, WV 26003, as Agent.

Clarence Tubauch, 2084 National Road, Wheeling, WV 26003, as Agent. Gary W. Glessner, 2084 National Road, Wheeling, WV 26003, as Agent.

JAN PEST
MARSHALL County 12:39:03 PM
Instrument No 12:39:03 PM
Days Records 10:29/2008
Document Type CAS
Document Type CAS
Recording Fee \$5.00
Additional \$6.00

SIGNEL FOR INDENTIFICATION:

Gary W. Glosatier

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing into on the Landay of Light Man Add was presented for and by me, admired to record in my office upon the bove certificate as to the parties therein named this Affai day of Light Age of the parties therein named this Affai day of Light.

TESTE

Clerk.

Case 5:14-cv-00154-JPB Document 12 Filed 12/15/14 Page 69 of 88 PageID #: 305

PAID-UP OIL & GAS LEASE



08/08 - WV

2008, by and between Robert B. Elliott and Kathy A. Elliott, husband and wife, whose This Lease, made this address is RRI Box 131A-2, Valley Grove, West Virginia 26060, hereinafter collectively called "Lessor", and CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessee"

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coulbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and nonhydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mine-out area, coal seam, and all communicating zones, and their liquid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the District of Triadelphia in the County of Ohio in the State of West Virginia, and described

Property Tax Parcel Identification Number: T4/4.2

and is bounded formerly or currently as follows:

On the North by lands of GW Rentals;

On the East by lands of Multiple Parcels of Land;

On the South by lands of Multiple Parcels of Land;

On the West by lands of GW Rentals;

including lands acquired from Gary W. Glessner and Melissa S. Glessner, his wife, and Leee J. Glessner, by virtue of deed dated February 27, 2002 and recorded in Deed Book 739, at Page 674, and described for the purposes of this agreement as couldining a total of 3.712 Leasehold acres, whether actually more or less, and including configuous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lesser has a preference right of acquisition. Lesser agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

This Lease shall remain in force for a primary term of five (5) years from 12:00 A.M.

(last day of primary term) and shall continue beyond the primary term as to the entirety LEASE TERM. of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, (effective date) to 11:59 P.M. gar, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Lessehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (2) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and ges lease without additional compensation or performance by Lesses for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by isason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended

EXTENSION OF PRIMARY TERM. Lesson has the option to extend the primary term of this Lease for one additional term of five (5) Pears from the expiration of the primary term of this Lease; said-extension to be under the same terms and conditions as contained in this Lease. Lesson may exercise this option to extend this Lesso if on or before the expiration date of the primary term of this Lesso, Lesson pays or tenders to the lessor or to the Lessor's eredit an amount equal to the initial consideration given for the execution bereal. Exercise of this option is at Lessocia sole discretion and may be invoked by Lossee where no other alternative of the Lease-Form clause extends this Lease-beyond the primary terms

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the and in rayor of giving effect to the connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidelrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lesses, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFETURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accuse in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor,

proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Pald-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
 - (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor, free of cost, a Royalty of the equal one eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leasehold.
- 2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the net amount realized by Lessee, computed at the wellhead. As used in this lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale As used in this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating



liquid hydrocarbons from gas, other than condensate separated at the well, and (o) transporting oil and/or gas, including but not firmited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellhead and the point of sale. Lessee may use its own pipelines and equipment to provide such treating, processing, separating, transportation, compression and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include without limitation reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor may be required to execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fees tevied upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents, therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the

same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee skall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities,

and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(II) TITLE: If Lessee receives evidence that Lesser does not have title to all or any part of the rights herein lessed, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) LIENS: Lessee may, at its option, pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means.

(f) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Leaser recognizes and atknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Lessehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or

seek additional consideration based upon of any differing terms which Lessee has or will negotiate with my other lessor/oil and gas owner.

(K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the tentals (except for Delay Rental payments as set forth above), royalties and chut-in royalties hereunder shall be paid to Lessor only in the proportion

which Lessor's interest bears to the whole and undivided fee

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitzing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease and the local property tax assessment calculation of the lands covered by the Lease, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written

consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasthold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hercunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to

execute this Lease; the Lease shall nevertheless be binding upon all persons who do execute it as Lessor

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed psyments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God

and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and

ADDENDUM

Attached to and made a part of that certain Oil and Gas Lease dated_____, by and between Robert B. Elliott and Kathy A. Elliott, husband and wife, whose address is RR1 Box 131A-2, Valley Grove, West Virginia 26060 as Lessors, and Chesapeake Appalachia, L.L.C., as Lessee, covering land in the District of Triadelphia, County of Ohio, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1) Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2)Hold Harmless Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lesser against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gas Clause

Annual Payment of 200 mcf X \$ sold in Lleu of Free Gas Clause;

If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause

Robert B. Elliott

It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED FOR INDENTIFICATION:

CHESAPEAKE APPALACHIA, L.L.C.

ORDER OF PAYMENT

Date: _

Subject to approval of the agreement associated herewith ("Ag ("Chesapeake"), Chesapeake will make payment as indicated he of Payment and the Agreement. Payment may be tendered by of deemed complete upon mailing or dispatch. Where the due Sunday, payment tendered (mailed or dispatched) on the next retained by payes. No default for non-payment may be claimed to	erein by checi mail or any co date for any p business day	k within 90 days o emparable method payment specified y is timely. The c	f its receipt of the original of t I (e.g., Federal Express), and I herein falls on a holiday, Sa opy of this Order of Paymen	his Order payment turday or
If payee owns more or less than the net interest defined herein, or reduce the consideration payable hereunder proportionate to act	Chesapeake : :ual interest o	may, without immo wned by payee.	ediate notice to Lessor, incres	95 9 or
Payee represents he/she has a full understanding of the risks invited has read and understands the terms and provisions of the Agree by payee as a result of his/her own free act and will and Chesept value or exerted any duress or coercion. Payee agrees that payer or modify the payment, or seek additional consideration based upon other lessor/oil and gas owner. Non-acceptance by payee of	ment. Payes eake or anyor ment made h oon any differ	e agrees this is an ne acting on its be ereunder is final a ring terms which (am's length transaction ente thaif has made no representa nd thai payee will not seek to thesapeake has or will negoti	red into tions of amend
Pay toRobert B. Elliott and Kathy A. Elliott				
			ir, the	amouni
of Three Thousand Seven Hundred Twelve and 00/100	<u> </u>	dollar	s (\$ \$3 ,	712.00)
Address RR1 Box 131A-2				
Valley Grove, WV 26060				
V2MCy 01010, 114 2000				
AVEE SOUAL SECURITY NO BYATA COUNTYPARKY West Virginia	Chia	TOWNSHIP	Triadelphia	
ROSPECTOROLECT NAME			AND RESIDEN	
Ohio County, Wast Virginia		IPĘLINĘ MUMBER OR DESCAU	7104	
X New R	enewal			
This payment is for a 5 year Oil and Gas Lease				
dated	which covers	s property describ	ed as follows:	<u>_</u>
Tax Map T4 Percel 4.2 Containing 3.712 Acres				
			-	5-7-7-2
Completed by: Landowner's sign Approved by:	atura) 50	JESL	- Xuly C	Alu
		DATE PAID	PAID 8Y	
Forward to: [LAND DEPARTMENT		ножт	EVECK NUMBER	,
OUTDAMENT ADDALACTION IN	INTERNAL USE ONLY	ютє		

CHARLESTON, WV 26362-0070

conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein. No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or casements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period

of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majoure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest affect possible under the law and modify the

provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease. COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this

Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

REFERENCE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF. IN WITNESS WHEREOF, Lessor hereunto sets hand and seal Witness (Seal) Witness (Scal) Witness Witness Document prepared by: Chesepeake Appalachia, L.L.C., P. O. Box 6070, Charleston, West Virginia 25362-0070. ACKNOWLEDGMENT STATE OF WEST VIRGINIA COUNTY OF OHIO 2008, before me, the undersigned authority, personally appeared Rubert B. Eilion and Kathy A. On this the 🔨 day of 🔀 u cu Ellion, husband and wife, with, being duly swom according to law, depose and any that they executed the foregoing instrument for the purposes therein contained. IN WITNESS WHEREOF, I hereunto set my hand and official seal. Official Seal My Commission Expires: Quy 14, 7018 Notary Public, State of West Virginia Keith J. Balaschak Signature/Notary Public Kell Belookak. 1100 9th Street Name/Notary Public (print) Karth & B. O. Lea K My commission expires August 14, 2018 Vienna, WV 26105 I writested Both owners SignATTIVES ON TEC 17, 2004 Monies To BE POID WITEIN QU (HINETY) PAYS Tubri Backal

PAID-UP OIL & GAS LEASE

08/08 - WV

This Lease, made this _____ day of _____, 2008, by and between Robert B. Elliott, a married man dealing in his sole and separate property, whose address is RRI Box 131 A-2, Valley Grove, West Virginia 26060, hereinafter collectively called "Lessor", and CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessee"

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mine-out area, coal seam, and all communicating zones, and their liquid gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment

DESCRIPTION. The Leasehold is located in the District of Sandhill in the County of Marshall, in the State of West Virginia, and described as follows:

Property Tax Parcel Identification Number: 2/10

and is bounded formerly or currently as follows:

On the North by lands of Litman

On the East by lands of Reineke

On the South by lands of Multiple Parcels of Land;

On the West by lands of Giza

including lands acquired from by virtue of will dated October 18, 1985, and recorded in Will Book 30, at Page 197, and described for the purposes of this agreement as containing a total of 166.26 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of five (5) years from 12:00 A.M. (effective date) to 11:59 P.M. _____ (last day of primary term) and shall continue beyond the primary term as to the entirety of the Lessehold of any of the following is satisfied: (i) operations are conducted on the Lessehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pocked/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lesses's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption

if there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lesse has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. bessee has the option to extend the primery term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessed may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease. Lessed pays or tenders to the Lessor or to the Lessor's gradit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessor's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

NC AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities ping back in the same of different formation of repair a worl of duplinent of the Dosestott of any failed possible provided shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessoe ilmely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accuse in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor,

proportionate to Lessor's percentage of ownership, as follows:

(A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.

(B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:

1. OIL. To deliver to the credit of Lessor, free of cost, a Royalty of the equal one-eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leasehold.

2. GAS: To pay Lessor on actual volumes of gas sold from said land, one-eighth of the net amount realized by Lessee, computed at the weilhead. As used in this lease, the term "not amount realized by Lessee, computed at the weilhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale. As used in this Lease, the term "post-production costs" shall mean all costs and expenses of (a) treating and processing oil and/or gas, and (b) separating

liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellitead and the point of sale. Lessee may use its own pipelines and equipment to provide such treating, processing, separating, transportation, compression and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include without limitation reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor may be required to execute a Division Order certifying Lessor's interest in production. Lessec may pay all taxes and fees levied upon the oil and gas as produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monics payable to Lessor hereunder. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents, therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the

same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents, is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or end comparable method (e.g., Federal Express), and payment is deemed complete upon railing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(C) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Lessehold until furnished with

such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or

withhold payments as if such a change had not occurred.

(N) TITLE: If Lessee receives evidence that Losser does not have title to all or any part of the rights herein lessed, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) LIENS: Lessee may, at its option, pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means.

(J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise traperly leader payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. nereoy agrees that me payment terms, as set forth nerein, and any conus payments paid to Lessor constitute run consideration for the Lesson fluther agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lesse payments, or seek additional consideration based upon of any differing terms which Lessoe has or will negotiate with any other lessor/oil and gas owner.

(K) PAYMENT REDUCTIONS: If Lessor owns a lessor interest in the oil or gas than the entire undivided fee simple estate, then the remails (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

[INITIOALTOM ANTO POOL INIC.] Lessor creates a seed the right to need unities or combine all or costs of the Lessohald with other leads.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease and the local property lax assessment calculation of the lands covered by the Lease. Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph

FACILITIES. Lessee shall not drill a well within 200 feet of any structure located on the Lessehold without Lessor's written consent. Lessor shall not creet any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Lessehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Lessehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Lessehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold feil to

execute this Lease; the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God

and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REPUSAL. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have lifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and

ADDENDUM

Attached to and made a part of that certain Oil and Gas Lease dated ______, by and between Robert B. Elliott, a married man dealing in his sole and separate property, whose address is RR1 Box 131 A-2, Valley Grove, West Virginia 26060 as Lessor, and Chesapeake Appalachia, L.L.C., as Lessee, covering land in the District of, County of, State of West Virginia.

NOTWITHSTANDING the forgoing provisions hereof, it is understood and agreed:

(1)Location Approval Clause

Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

(2) Hold Harmless Clause

Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep hamless the Lessor against and from any and all toss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

(3) Reclamation Clause

Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

(4) Free Gas Clause

Annual Payment of 200 mcf X & sold in Lieu of Free Gas Clause:

If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and ges underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to two hundred thousand (200,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder

will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) equal to 200,000 cubic feet of gas multiplied by the average price received by Lessee during the preceding year of production in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this lease to provide gas free of cost to Lessor, his successors, heirs and assigns.

(5) Hunting Clause

It is understood and agreed that the Lessee will not commence drilling operations 30 days prior to deer hunting season (a 2 week period beginning the first Monday following Thanksgiving Day). In the event Lessee is conducting drilling operations 30 days prior to hunting season, Lessee will be permitted to continue operations.

SIGNED	FOR IN	DENTIF	TCATION	:
2N	ટુટી	45		_
Robert B	Elliott			

conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein. No oral warranties, representations, or

promises have been made or relied upon by either party as an inducement to or modification of this Lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered, provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, subotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

REFERENCE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

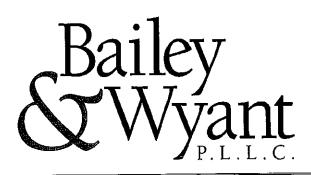
IN WITNESS WHEREOF, Lessor hereunto sets hand and real. Witness (Seal) Witness (Seal) Witness Witness Document prepared by: Chesapeake Appalachia, L.L.C., P. O. Box 6070, Charleston, West Virginia 25362-0070. ACKNOWLEDGMENT STATEOF X6T UNGTHIS COUNTY OF CHICO , 2008, before me, the undersigned authority, personally appeared Robert B. Elliott, a married man On this the \(\sigma\) day of \(\sigma\)e. dealing in his sole and separate property, who, being duly sworn according to law, depose and say that they executed the foregoing instrument for the purposes therein contained. IN WITNESS WHEREOF, I hereunto set my hand and official seal. Official Seal My Commission Expires: Qua 14, 2014 Notary Public, State of West Virginia Keith J. Balaschak Signature/Notary Public July Black 1100 9th Street Name/Notary Public (print): Lettlat (Isla Schale My commission expires August 14, 2018 I WITHERSED OWNERS SIGNATURE ON DEC. 17 2001 houses to be forD with in QO (WHETY) DAYS Toy degrades.

724-413.5059

CHESAPEAKE APPALACHIA, L.L.C.

ORDER OF PAYMENT

Subject to approval of the agreement associated herewith ("Agreement") and title confirmation by ("Chesapeake"), Chesapeake will make payment as indicated herein by check within 90 days of its re of Payment and the Agreement. Payment may be tendered by mail or any comparable method (e.g. is deemed complete upon mailing or dispatch. Where the due date for any payment specified here Sunday, payment tendered (mailed or dispatched) on the next business day is timely. The copy o retained by payee. No default for non-payment may be claimed by payee during said 90-day period.	scelpt of the original of this Order , Federal Express), and payment in falls on a holiday, Saturday or
if payee owns more or less than the net interest defined herein. Chesapeake may, without immediate reduce the consideration payable hereunder proportionate to actual interest owned by payee.	notice to Lessor, increase or
Payee represents he/she has a full understanding of the risks involved in leasing property for all and has read and understands the terms and provisions of the Agreement. Payee agrees this is an arm's by payee as a result of his/her own free act and will and Chesapeake or anyone acting on its behalf he value or exerted any durass or coercion. Payee agrees that payment made hereunder is final and the or modify the payment, or seek additional consideration based upon any differing terms which Chesa any other lessor/oil and gas owner. Non-acceptance by payee of timely payment shall not serve to verify the payment shall not serve to the payment shall not serve to verify the payment shall not serve to the payment shall not serve	length transaction entered into as made no representations of at payee will not seek to amend peake has or will negotiate with
Pay to Roburt B. Elliota	in the amount
of One Hundred Sixty Six Thousand Two Hundred Sixty and 00/100 dollars (\$	\$166,280.00)
Address RRi Bux 131 A-2	
Valley Grove, WV 26060	
PAYEE SOCIAL RECURITY NO STATE CONTYNAMEN MATS HALL TOWNSHIP OF THE TOWNSHIP O	TOWN OF Sandhill
PACKECT/PROJECTNAVE	
Ohlo County, West Virginta PIPELINE NUMBER OR GESCRIPTON	
X New Renewal	
This payment is for a 5 year Oil and Gas Lease	
dated . 2008 , which covers property described as	follows:
Tax Map 2 Parcet 10 Containing 166.26 Acres	
Completed by:	
Landowner's signature:	
Approved by:	
OATE PAID	PAIDSY
Forward to:	TCHECK NV MBEH
LAND DEPARTMENT INTERNAL	63/EACHDWIND.
CHESAPEAKE APPALACHIA, L.L.C. PO BOX 6070	
CHARLESTON, WV 25362-0070	



1219 Chapline Street Wheeling, West Virginia 26003 T: (304) 233-3100 • F: (304) 233-0201 www.baileywyant.com

500 Virginia Street East, Suite 600 Charleston, WV 26337 T: (304) 345-4222 • F: (304) 343-3133

Mark A. Kepple, Esq. Email: mkepple@balleywyant.com

May 16, 2014

Joe Tarantelli, Esq. Senior Attorney **Chesapeake Energy Corporation** P.O. Box 18496 Oklahoma City, OK 73154-049

VIA II.S. Mail and email to: joe-tarantelli@chk.com

Legal Department Chesapeake Appalachia, L.L.C. 900 Pennsylvania Avenue P.O. Box 6070 Charleston, WV 25362-0070

Re:

West Virginia - Marcellus Shale

Gary W. Glessner, Lee J. Glessner Tax Parcel T9/5 containing 78.519 - lease # 256014

GW Rentals, LLC - Tax Map #T4/4 containing 10.68 acres - lease # 265432

GW Rentals, LLC - Tax Map # T4/2.2 containing 26.646 acres - lease # 265430 Lee J. Glessner – Tax Map T4/2 containing 86.894 acres – lease # 256015

Windmill Truckers, Inc. – Tax Map # T9/36.7 containing 16 acres – lease # 256013

Windmili Truckers, Inc. - Tax Map # 19/4 - 140 acres - lease # 265431

Glessner et al. - Tax Map 12-2/5 - 215 acres - lease # 264256

Dear Mr. Tarantelli:

I hope this letter finds you well. Please direct the following to the appropriate decision-maker at Chesapeake. I write regarding Chesapeake's failure to abide by the terms of several lease agreements.

On December 14, 2011 Appalachia Midstream Services, L.L.C. (hereinafter AMS) entered into a "Compression Facilities Lease Agreement" with Windmill Truckers Center, Inc. The lease contains the following term regarding Taxes:

¹ It is my understanding that Chesapeake Midstream Partners L.P. is a wholly owned subsidiary of Chesapeake Energy Corporation and that it or another subsidiary of CHK now owns Appalachia Midstream Services, L.L.C. Please confirm my understanding is correct.

Taxes

LESSEE shall pay all property taxes, ad valorum taxes, special assessments, and any other charge, cost, or fee levied by state or local government authority against the Leased Premises as such shall first become due.

The taxes have not been paid timely. On February 3, 2014, Windmill Truckers (Lessor) wrote to AMS advising of breach of the lease agreement and requested that it be cured.

WINDMILL TRUCKERS CENTER, INC. 2084 NATIONAL ROAD WHEELING, WV 26003 304-243-9071

February 3, 2014

Appalatine Midstream Services, LLC 6100 N. Western Avanue Oklahoma City, OK 73118-1044

Re: Lease with Windmill Truckers Center

Ogar Appalacido Midstraam Sarvicos:

for the post three (3) years your company. You have been issuing a sale of real estate. Your company as indicated by closinformation along to the time of your 1099s?

Also, please note that your company is associated with the 27.53 acres that you from the Ohio County Sheriff's office. Pl Also, please note that your company is also responsible for all real estate taxes associated with the 27.53 acres that you lease. Those real estate taxes are billed from the Ohio County Sheriff's office. Please call them at 304-234-3688.

Sincerely.

Gary W. Glossner, CPA

V-President, Windmill Truckers Center, Inc

Slacerely

Gary W. Glessner, CPA

V-President, Windmill Truckers Center, Inc.

According to the Assessor of Ohio County, West Virginia these taxes remain unpaid and are due and owing. Windmill's previous attempts to handle this by telephone have been unsuccessful. Please be advised that I view this as a default and breach of this lease. Please immediately pay the real estate taxes and provide me with proof of payment within 7 business days or I will be forced to file an ejectment and trespass complaint to remove AMS/CHK from the subject property. It is extremely dangerous to subject this valuable property to the prospect of a sheriff's sale. Thus, I request you elevate this issue to the highest level so that it may be immediately resolved.

Chesapeake is also in violation of several gas leases. My clients own an interest in approximately 570 acres in Ohio and Marshall County, West Virginia. The vast majority of this property



is in very close proximity to the compressor station. This acreage was leased in 2008. The leases were for a five year term. These leases are subject to an Assignment and conveyance to Statoilhydro USA Onshore transferring 32.5% of Chesapeake's interest.

I write in an effort to avoid disruptive litigation and to salvage any leasehold relationships that may exist between Chesapeake Appalachia, LLC (hereinafter Chesapeake) and Statoil and the "Lessors" above.

The crux of this issue is that Chesapeake failed to negotiate leases that contain terms permitting their interests to extend into a second five year term. The leases generally were in force from August 2008 to August 2013. The clause permitting "Extension of Primary Term" was lined out reflecting the fact that the parties to this lease did not make an agreement as to the consideration to be paid for a second and final five (5) year lease term. All of the leases contain this agreed upon modification to the form lease.

For example, the 78.519 parcel lease, reads as follows²:

specified herein, the payment to the Lessot of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended by your the primary term.

SETERATION OF PRIMARY TERM. Lesses has the option to extend the primary term of this Lease for one relational term of fire [5] years from the expiration of the primary term of this Lease, said extension to be under the same terms and conditions as contained in this Lease. Lesses may extensive this option to extend this Lease if one or before the expiration that of the primary term of this lease. Lesses pays or tenders to the Lesson to the Lesson's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lesson's sold discretion and may be invoked by Lesses where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

NO AUTOMATIC TERMINATION OR FURTHIT CIRE.

(A) CONSTRUCTION OF LEASE: the language of this Lease (including, but not lunned us, the Lease term and Extension of Term chauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forficitum, concellation or expension

Also, the 86.894 parcel lease provides specific hand written changes documenting a reduction of the term from seven (7) years to five (5) years with no extension.

LEASE IEEM. This tease shall remain in barry for a primary term of a sensety verification 12.00 A.M. August 4, 2003 (effective date) to 11.59 P.M. August 3, 2007 (test day of primary term) and shall continue beyond the primary term at to the entirety of the Leasehold if any of the following it satisfied. (i) appraisons are conducted on the Leasehold or lands prodedunitized therewith in search of vil, gits, or their constituents, or produced from the Leasehold or lands prodedunitized therewith to reful to the constituents, are produced from the Leasehold or lands goodedunitized discrewith, or (iv) if the Leasehold or lands prodedunitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Leasehold therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Leasehold or delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective tense, permit of authorization covering such operations on the leased parameter or an other lands affecting the tense, such datay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Leason of the prescribed payments provided below shall be conclusive evidence that the Leason has been extended beyond the primary term.

EXTENSION OF PRIMARY JERM. Lessec has the option to extend the primary term of this Lease for one additional term of five (5) years from the varieties of the primary term of the term. Lessec may exercise this option to extend this hense if on or before the explication date of the primary term of this Lease. Lessec pays or tenders to the Lessor's credit at amount equal to the initial consideration given for the exception hereof. Exercise of this option is at lessee's sole discretion and may be invoked by Lessec where models afternalive of the Leose Ferm clause extends this Lease beyond the primary term.

Additionally, as the exemplars below document, the single term 5 year lease term is confirmed on the "Order of Payment" for each of the leases³.

³ All orders of payment confirm the payments made are only for a single five year term.



² The crossed out lease language is found in all of the recorded leases referenced above.

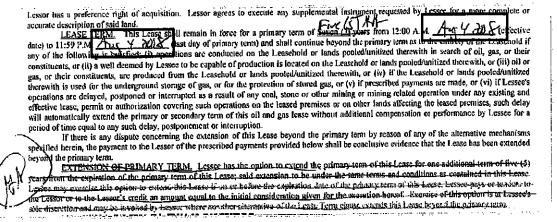
This payment is to a 5 year	Qil and Gas Lease
sted	. 2008 which covers property described as follows
x Map # T4/4 containing 10.68	acres /
	Completed by. Landowner's signature. Jandowners's signature.
- adily	
This payment is for a 5 year	
This payment is for a 5 year ted	. 2008 , which covers property described as follows

The 16 acre WTC lease parcel is confusing and misleading. The "Order of Payment" is unsigned by the landowner, but references a seven year lease.

Office C	DUNIN, WEST AN BURNES OF THE STATE OF THE ST
eage alloses	X New Renewal
This payment is fo	a 7 year Oil pind Gas Lease
ated	which covers property described as follows:
ax Map # T9/36.7-16	ocres
	Completed by:
	Landowner's signaturo.
	Landowners's signature:
	-

Bailey Wyant

However, the actual written lease that was signed for this parcel is technically only for one day.



Even more problematic is that the lease that was recorded was not the lease that was signed. When Chesapeake recorded the lease, the front page was surreptitiously changed without notifying the Glessner entities. See attached.

The Glessner entities agreed to the single 5 year term expiring in August 2013, specifically rejecting the extension of the primary term. Chesapeake failed to complete all of its operations within that term and these leases are now terminated. Without the "Extension of Primary Term" clause, the lease is incomplete and void as to the meaning of any terms that could possibly extend the term into subsequent terms. Also, the compensation for the leases reflect its short term. All of these leases were \$1,000 an acre leases which is well below market value.

I have been instructed to make one effort to compromise this matter in the immediate future without the necessity of litigation. Should our efforts to compromise this dispute be unsuccessful, the proposed suit would seek to halt all Chesapeake/Statoil activity in the affected units, seek Chesapeake's immediate ejectment from the property, seek damages for damage to the property, seek restoration and reclamation damages, seek damages for slander of title, conversion, trespass, and associated damages.

These issues give me great concern that Chesapeake has a callous and disrespectful attitude toward the owners of the properties it leases in West Virginia. This cavalier attitude must end. Please contact me to discuss whether litigation can be avoided. I suggest that the parties would benefit greatly from initial exploratory discussions tailored to simply renewing the lease agreements to reflect a reasonable per acre bonus amount for another five year term and a more reasonable royalty percentage. As for the real estate taxes, the taxes should be paid immediately.



I look forward to hearing from you.

Very truly yours,

Mark A. Kepple

Enc: Leases referenced above

Compression Facilities Lease Agreement

